

Creating opportunities together

connected to our diverse community



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Expanding opportunities to diverse businesses connects SDG&E® to our communities

In 2012, San Diego Gas & Electric® (SDG&E®) set out on a comprehensive Supplier Diversity strategy, which included continuing to deliver strong results in Diverse Business Enterprise (DBE) spending; expanding business opportunities to small contractors through our Small Contractor Opportunity Realization Effort (SCORE); introducing power procurement opportunities to diverse businesses; and, recruiting diverse businesses on our Smart Grid projects. I am pleased to report that SDG&E successfully executed on all these strategic efforts.

For the seventh year in a row, SDG&E exceeded the overall DBE percentage goals set by the California Public Utilities Commission (CPUC). We are proud that 36.1 percent of company purchases were with diverse businesses, representing more than \$435 million. DBE spend in 2012 was less than in 2011 primarily due to lower 2012 expenditures related to the successful completion of the Sunrise Powerlink, SDG&E's largest capital project in company history, which alone recorded over \$126 million in DBE spend, or 43.8 percent in 2012.

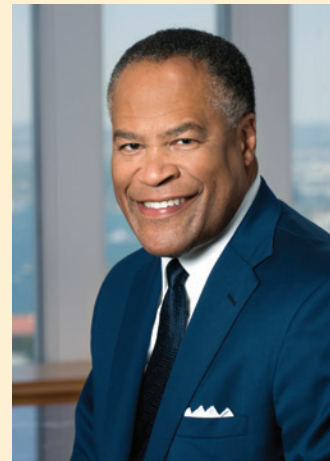
In 2012, SDG&E achieved increases in DBE spend in legal and financial services and posted gains in spending with African American, Asian American, and Native American businesses. SDG&E significantly grew the number of small contractors in its SCORE program from five in 2011, to more than 30 contractors in 2012, with the majority of these being small African American and Asian American companies.

In 2012, SDG&E was also the first California utility to execute three short-term wholesale power purchase agreements with a DBE supplier. In another first for SDG&E, we signed a 20-year agreement to purchase 20 megawatts of renewable power from a Native American-owned solar developer in Imperial Valley. The power will be delivered into SDG&E's service territory using the newly constructed Sunrise Powerlink. We are also continuing to ramp up our Smart Grid projects and are pleased to report over 25 percent DBE spend in this emerging category, surpassing our goal of 15 percent.

For SDG&E, supplier diversity is more than a program, it is an integral part of how we do business and a core value that embraces and leverages the rich dimensions of diversity. We deliver better products and services to our customers by tapping into the diverse talents, skills and backgrounds of our suppliers. We

also believe that a solid, diverse supplier base, many of whom are local, makes our business stronger and better connects us to the communities in which we live and serve.

As we look forward to 2013, we will build on our 2012 success and continue to expand supplier diversity in renewable generation, in our Smart Grid and pipeline safety initiatives and in other initiatives that enable us to provide safe, reliable and more sustainable energy to our customers. We will also continue to work with our prime suppliers to expand opportunities to diverse businesses through subcontracting. I am confident that through our success in all these efforts, SDG&E will continue to be a leader in supplier diversity and an example to other businesses in California and the nation.



A handwritten signature in dark ink, reading "Jessie".

Jessie J. Knight, Jr.
Chairman and Chief Executive Officer
San Diego Gas & Electric

Creating opportunities together

San Diego Gas & Electric (SDG&E) celebrated another strong year in supplier diversity efforts in 2012 by executing on a number of initiatives that again propelled the company to surpass CPUC goals. In total, more than \$435 million worth of products and services were spent with Diverse Business Enterprise suppliers in 2012, which corresponds to 36.1 percent of total purchases, exceeding the CPUC goal of 21.5 percent. This compares to \$546 million and 38.1 percent DBE spend in 2011. This reduction was a result of the company migrating from highly successful mature projects with high DBE spend to new projects that are just ramping up their DBE spend. DBE spending in our core business represented 67.3 percent of our DBE spend, increasing more than \$46.3 million over last year, from \$246.5 million to \$292.9 million.

There were many high points throughout the year that helped contribute to these positive results, including the completion of the Sunrise Powerlink transmission line, SDG&E's largest infrastructure project to date. SDG&E made a commitment to have DBEs play an important role in this momentous project and we delivered handsomely. The DBE participation for the Sunrise Powerlink was a record-setting 43.8 percent DBE spend for 2012, with \$126 million spent with diverse businesses. Over the life of the project, spending with DBEs totaled almost \$418 million, or 37.7 percent of the project overall. Another benefit of the involvement of DBEs in the Sunrise project was bringing new suppliers into the company that have capabilities useful for future infrastructure projects as well as core business needs. Sunrise DBE suppliers have gained valuable experience



"While the Sunrise Powerlink will serve as a major conduit for renewable energy in the near future as solar and wind projects are constructed and put into service, this transmission line is providing this region with real benefits right now. With the San Onofre Nuclear Generation Station currently out of service, the Sunrise Powerlink is playing a major role in boosting electric reliability and alleviating potential energy shortages."

Jessie J. Knight, Jr., SDG&E Chairman & CEO at the Sunrise Powerlink Dedication Ceremony, July 26, 2012

\$435,000,000 → 36.1%

Worth of products and services were spent with DBE suppliers in 2012

Total DBE purchases, exceeding the CPUC goal of 21.5%

working on an extremely complex project to meet an accelerated project deadline to ensure the transmission line was finished ahead of schedule to benefit the region.

With Sunrise now in service, our first DBE procurement contracts for renewable power will be delivered over the Sunrise Powerlink. In fact, another “first” achieved in 2012 was signing the first electric power procurement contract with a DBE marketer. This important milestone accomplishment is described more fully in the 2012 Power Procurement Section of the Report (page 39).

Another exciting program that was introduced in 2011, but hit its stride in 2012, was the Small Contractor Opportunity Realization Effort, or SCORE program. In the first full year of the program, SCORE brought over 30 new businesses into the company and over \$4 million in spend. Another key benefit of SCORE is its focus in core spending areas, allowing businesses to gain valuable experience in working with a major utility company while receiving mentoring and valuable constructive feedback.

In 2012, the team also revamped and improved programs for technical assistance, offering more targeted programs and greater access to key decision makers at SDG&E. A new technical assistance program



Celebrating a decade of En Banc: The SDG&E team attends the CPUC En Banc event. Pictured are SDG&E's Nancy Smith-Taylor, Manager Diversity and Workforce Management; Lana Radchenko, Supplier Diversity Manager; Jessie Knight, Chairman & CEO; Pam Fair, Vice President, Environmental & Operations Support; Semptra Energy Chief Employment Council Dawn Andrews; California State Assembly Member Steven Bradford.

titled “Advanced Technology Management Institute” provided education and training to equip companies for participation in Smart Grid efforts. Additionally, SDG&E awarded a new contract to a DBE to create a technical assistance program titled the “SoCalGas/ SDG&E Supplier Diversity Institute,” which will kick off in 2013.

Looking back on the year, one of the highlights was the 10th CPUC Supplier Diversity En Banc where former State Assembly Member and General Order 156 founder Gwen Moore and CPUC President Michael Peevey eloquently expressed the value that DBE suppliers have contributed in California and the benefit of expanding these efforts across the country. Our company shares this priority and SDG&E

CEO and Chairman Jessie Knight was proud to share our record 2011 results of 38 percent in DBE spend at the En Banc meeting. It was also impressive to hear from the leadership of the state's other major utilities and the DBE community that diversity is an important priority in their organizations.

As SDG&E continues to innovate to meet customers' needs now and in the future, more effort is placed on Smart Grid implementation. Sharing our Smart Grid procurement needs with DBEs was a key focus of our efforts in 2012. This included holding outreach events with DBEs in the areas of information technology, electric operations, and renewable energy. With the continued support and commitment of the executive leadership team and the various company departments involved in Smart Grid, SDG&E is doing everything possible to make sure DBEs are aware of upcoming Smart Grid opportunities and have access to key decision makers. SDG&E intends to make Smart Grid a growing opportunity to our DBE community in 2013 and into the future.

Key spending and accomplishment areas contributing to 2012 supplier diversity success:

- ▶ **Core Business¹ Growth** - increased more than \$46.3 million, from \$246.5 million to \$292.9 million, representing 67.3 percent of our DBE spending.
- ▶ **Sunrise Powerlink** - \$126 million DBE spending, representing 28.9 percent of our total 2012 DBE spend. For 2012, the project reported 43.8 percent DBE spending.
- ▶ **Subcontracting** - the total subcontracting for both core business areas and capital projects was \$166.6 million, representing 38.3 percent

of our DBE spending. A concerted effort was made in 2012 to work with prime contractors on increasing subcontracting.

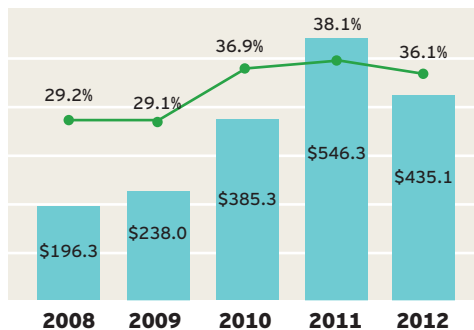
- ▶ **Natural Gas Procurement** - SDG&E continues to show strong leadership in growing and utilizing DBE natural gas suppliers. The company purchased \$76 million, or more than 35.5 percent of our natural gas purchases from DBEs in 2012.
- ▶ **Electric Procurement** - SDG&E was proud to be the first utility in the state to execute the first electric power procurement transaction with a DBE. The DBE spend in this area was not quite \$1 million, but there were a number of strides made during this first year of DBE reporting. (See 2012 Power Procurement Report for details on page 39 of this report.)
- ▶ **Financial Services** - more than \$3.2 million was spent with 21 DBE firms in 2012 for 21.5 percent of DBE spend in the financial services area, a new high.
- ▶ **Legal services** - \$2.6 million was spent with DBE law firms, or nearly 8.1 percent of legal spend with DBE firms, an increase of 4 percent over 2011.

Category Highlights:

- ▶ Minority Business Enterprise (MBE) spending was \$248 million or 20.6 percent.
- ▶ Women-Owned Business (WBE) spending was \$145 million or 12 percent.
- ▶ Minority Women-Owned Business (MWBE) spending was \$76.2 million or more than 6.3 percent.
- ▶ Service-Disabled Veteran Business (SDVBE) spending was \$42.3 million or 3.5 percent, more than double the CPUC goal of 1.5 percent.

Diverse Business Enterprise - SDG&E

2008 to 2012 (\$Millions and %)



Planning for 2013 - Looking ahead, SDG&E is increasing our stated goal from 32 to 35 percent for supplier diversity procurement in 2013, but will strive to always exceed our goals as we have the past. We will continue to build upon our successes by maintaining the SCORE program at the current level. Working with 25 to 30 SCORE contractors allows for the mentoring and feedback by the various departments and by our Supplier Diversity Advisors. We will also be continuing our Smart Grid outreach efforts, implementing new technical assistance programs, and applying more stringent subcontracting oversight over our primes. We will also continue to promote DBE in the lower utilization areas such as financial, legal and electric procurement to further improve on 2012 performance.



9.1.1 DESCRIPTION OF WMDVBE PROGRAM

Internal Activities

Executive Support - Executive support and commitment for diversity is a corporate priority and is reflected in the senior leadership of our companies, which includes Debra Reed, Jessie Knight, and Anne Shen Smith, the respective Chairmen and CEO's of Sempra Energy, SDG&E and the Southern California Gas Company. All executives, directors and managers actively participate in internal and external supplier diversity activities as well as hold themselves and their staff accountable for achieving DBE goals. In fact, DBE spending goals and results are tied to every executive and management employee's incentive compensation, creating a vested interest in the success of the program. Executives routinely attend diversity events such as the yearly Diversity Champions Awards. Pictured below at the 2012 event are: Mike Niggli, SDG&E President & COO; Anne Smith, Southern California Gas Chairman & CEO; the Honorable Gwen Moore; Jessie Knight, SDG&E Chairman & CEO, and Dennis Arriola, Southern California Gas President & COO.



Services Offered - Having both the Supplier Diversity and the Supply Management departments now report to the same director, promotes greater synergy and collaboration across these organizations, facilitating the cross-pollination of ideas and efforts. Supplier Diversity team members are integral participants in the procurement process, alerted when bid opportunities arise, actively involved in strategic sourcing initiatives and participating in the bid evaluation process. Our strong partnership encourages Supply Management employees to participate in DBE networking events to build direct relationships with potential DBE suppliers.

To ensure our efforts stay connected with the strategic initiatives of our company, our team develops annual business plans with each vice president to identify DBE opportunities at the beginning of each year and incorporate these in the sourcing strategy. This cross functional team is provided training, information and tools to help them monitor the DBE progress in each of the major sourcing portfolios. Supply Management and DBE team members meet on a regular basis with internal clients to stay on top of new sourcing needs, and matching them to appropriate DBE suppliers.

In addition, SDG&E meets with prime contractors to develop subcontracting plans, which are monitored on an ongoing basis. Through close collaboration with prime contractors, we are able to identify and resolve performance gaps in meeting DBE targets.

Diversity Champions

All-Star Teaming Award

"With the enormity of the Sunrise Powerlink project, we knew that it would take a concerted effort to ensure that SDG&E's overall DBE percentages were optimized during execution. We knew that the project could create some tremendous opportunities for DBEs in the San Diego area. The effort put forth by the entire team not only supported the company's goal, but it was a primary contributor to our record performance. I'm very proud of the work of the Sunrise team and the culture at SDG&E that supports the DBE program and I am pleased that the company recognized this work by honoring us with the Teaming Award."

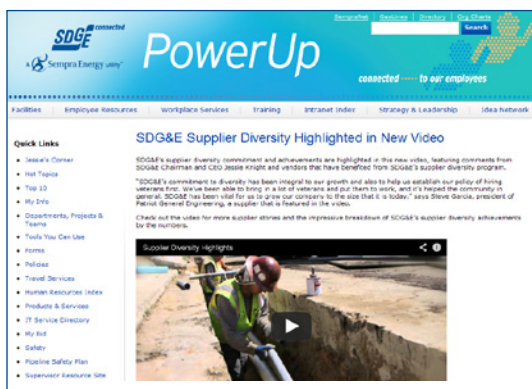
Joe Pierzina, SDG&E Electric Services Portfolio Manager, Supply Management



Sunrise all-stars: SDG&E's Patrick Lee, Senior Vice President; Paul Rybak, Contract Agent; Alex Giobbi, Category Manager; Bob Jackson, General Manager and Director of Construction & Engineering; Teresa LaRagione, Buyer; and Joe Pierzina, Electric Portfolio Manager were recognized for their DBE sourcing efforts for the Sunrise Powerlink.

Employee Communications - Our success depends on making sure that our core value to promote diversity runs deep and widespread through the organization. To reinforce this effort, a new campaign was launched that profiled several DBEs on SDG&E's and Sempra Energy's internal intranet sites. The goal was to showcase the high caliber of diverse businesses we work with and to personalize the leaders behind these businesses to our employees. We are

confident our employees appreciate the importance of supporting businesses that reflect the communities in which we live and work and how this benefits SDG&E. In addition, we communicated externally about our DBE initiative by profiling one of the Supplier Diversity team members on the external SDG&E website to illustrate the company's commitment to the program. Another team member was recognized in the Sempra Energy Corporate Responsibility report for Supplier Diversity efforts.



Employee Diversity Council (EDC) -

The Employee Diversity Council includes members of the Supplier Diversity Team working together with a diverse group of employees throughout the company who are passionate about recognizing and promoting diversity in the workplace. The EDC puts on forums, events and open houses to enlighten employees on a myriad



Diversity Tree

of topics as we continue to become more diverse. For example, during the holiday season the EDC created new holiday displays in many of the SDG&E buildings recognizing winter holidays as well as creating a “Diversity Tree” in a central location, using a DBE event company. Employees were invited to add a photo to the tree to show how their family celebrates the season.

Internal Events - 2012 employee events helped raise awareness of the Supplier Diversity program internally.

- ▶ The executive leadership team hosted a celebration event for employees where CEO Jessie Knight thanked our employees for our record 2011 DBE accomplishments. DBE Advisor Yan Fei is pictured below at the event with balloons representing 2011’s accomplishment of 38 percent DBE spending.
- ▶ An employee Town Hall was organized called “Diverse Jobs: One Purpose” in which an executive panel gave examples and insight into the importance of diversity in the company’s strategy.
- ▶ DBE “Road Show” seminars were held throughout the year to educate employees on the significance of supplier diversity and explain how the DBE team helps recruit and grow diverse new suppliers.
- ▶ The Diversity Champions Annual Awards are always one of the most coveted invitations throughout the year. Employees agree that it is truly an honor to get nominated for the event and each year there is a large turnout of executives, invited guests and key suppliers to celebrate employee accomplishments in diversity. CPUC President Michael Peevey was the keynote speaker of this year’s event.



Technology and Tools - SDG&E continues to enhance the tools we use to track and communicate our DBE spending for internal clients on a monthly basis. An online subcontracting reporting tool is also available to contracting agents, internal clients and prime suppliers.

MyDBE - A new internal DBE Dashboard was launched in 2012 called MyDBE (pictured below), an interactive tool providing information on DBE spend for each VP, portfolio and some of our large capital projects. The system was a collaboration of multiple departments, including Information Technology, Supplier Diversity and Supply Management.



SDG&E's Supplier Diversity Team
"Walking the Talk" - SDG&E's Supplier Diversity team leads by example when utilizing diverse suppliers. This team utilized a variety of DBEs, and also held events at the San Diego Regional Minority Supplier Development Council. The Team also utilized a DBE to create a video highlighting the terrific work our DBEs do for us as well as the economic development brought to our community.

SDG&E's Supplier Diversity Team "Walking the Talk"



"I met Scott Drury (SDG&E Vice President of Human Resources, Diversity and Inclusion) while taping a segment for the San Diego Regional Minority Supplier Development Council. When Scott found out I was an MBE he immediately set up meetings with colleagues that might be interested in my services. The first video I produced for SDG&E was for the DBE department, which showcased testimonials of great DBE businesses doing work with the company, illustrating the continued commitment to promoting DBEs. Within a few weeks of this project, I found myself working on several projects and our business has continued to grow. Originally the thought of doing business with Sempra Energy was only a dream, but it has come to fruition."

Jerry Hara, President and Owner, Diamond Production Group



Staying Connected to our Community Based Organizations

"SDG&E has been a true leader when it comes to the San Diego Regional Minority Supplier Development Council's mission and, in particular, the new Minority Entrepreneur Supplier Development Center. The company's support for the Center came in two forms. First they are providing three years of annual funding to ensure that the center has not only initial resources to start this initiative but, resources to help sustain its on-going operation. Secondly, SDG&E's diversity and supply management leaders have made effective use of the training center for sourcing and educational programs to the benefit of the minority business community.

"No other local company has demonstrated such a serious commitment to providing equal access and opportunities to DBE and minority businesses in the San Diego region."

Ronald Garnett, President & CEO, San Diego Regional Minority Supplier Development Council

External Activities

The Supplier Diversity team supports a wide range of organizations that contribute to the professional and economic development of DBE suppliers. Team members are regularly attending events, workshops, trade fairs and award ceremonies to network with potential suppliers and participate on corporate advisory boards and committees. The team also participates in regional and national conferences, including CPUC events, throughout the year. Pictured (*right*) at the California Black Chamber of Commerce Annual Conference in San Diego are SDG&E Chairman & CEO Jessie Knight; California Black Chamber of Commerce President & CEO, Aubrey Stone; and Southern California Gas Chairman & CEO, Anne Shen Smith.

In 2012, the team decided to take a more holistic approach to maximizing the benefit of these external events by making an effort to invite and accompany internal SDG&E clients when participating in community-based organization events. We have found this to be a very beneficial way to create connections and network for mutual benefit.





Women in Motion Event - SDG&E teamed up with WBEC-West to stage the first "Women in Motion" event, which provided not only great networking opportunities but valuable workshops to help with leadership, communication skills and marketing. Twenty-six SDG&E decision-makers attended the event (*pictured above learning about solar arrays covering SDG&E's Energy Innovation Center parking lot*). Connections made resulted in two women participating in SDG&E RFP's immediately following the event. The feedback received on the event evaluation form was very positive with comments including:

- ▶ "This event was an excellent tool in assisting me with the marketing of my business. In addition, it provided the opportunity to meet with key people at SDG&E."

- ▶ "Kudos to SDG&E and WBEC-West for putting on an informative and helpful workshop. It was well presented and the information was relevant to our business."

Supplier Development and Technical

Assistance - The Supplier Diversity Team helps suppliers obtain the information and skills needed to grow their business to the next level. To expand their opportunities to work with SDG&E, the company sponsors a variety of educational technical assistance programs with community-based organizations as well as with San Diego State University; University of Southern California; University of California, Los Angeles; and the renowned Kellogg School of Management.

"I want to sincerely thank SDG&E for sponsoring this highly valuable program. The brilliant professors helped us think differently about our businesses and step back and see our leadership roles from new and interesting perspectives. Most importantly, they opened our minds to learning and for that we are most thankful. Entrepreneurship isn't for the faint of heart so the Management Development for Entrepreneurs (MDE) program experience gave us added insight and inspiration for long-term success. It feels good to be back in the driver's seat with a renewed sense of purpose and increased level of excitement."

Colleen Peterson, President, Peterson Hill Marketing, Inc.

Commencement celebration: *UCLA Professor Al Osborne, Founder and Faculty Director of MDE in the Price Center for Entrepreneurial Studies pictured with Colleen Peterson, "Class Speaker" for the 2012 MDE Program at the UCLA Anderson School of Management.*



One of our university technical assistance programs takes place at the Entrepreneurial Management Center at San Diego State University. This program offered a 40-hour course on topics such as strategy, leadership, sales and marketing, operations, legal and financial issues. The DBEs in attendance (*pictured below*) work with MBA consultants to create a strategic growth plan, which is then presented to SDG&E representatives. Guest speakers from SDG&E were also invited to speak to the class on new opportunities in Smart Grid, Electric Procurement and Energy Efficiency.

To maximize the networking and follow-up opportunities, the last two years of graduates were brought back for a Capstone event to present to SDG&E representatives on their business and service offerings.

A new program titled "Advanced Technology Management Institute" was created through the UCLA Anderson School of Management to work with DBEs to take advantage of new energy initiatives, including Smart Grid applications and technologies. SDG&E nominated a SDVBE to participate in the program, which has already completed work in our Borrego Springs Microgrid project.



New Technical Assistance Program

Planned - At the end of 2012, SDG&E and our sister company Southern California Gas, awarded Lily Otieno of Infinity Business Solutions, a DBE, the contract for developing a new, unique technical assistance program (see more information about this technical assistance program on page 17). The 10-week program called the "SoCalGas/SDG&E Supplier Diversity Institute" is based on methodology developed by professionals in instructional design. A team of experts will present the material to 40 DBEs with the first session kicking off in March of 2013 in Los Angeles, followed by additional sessions through the remainder of the year in the San Diego and Orange county areas. The program is available to qualified DBEs at no charge.

Supplier Mentoring and Capacity Building -

High potential DBE suppliers are regularly identified and mentored by SDG&E in a variety of ways, such as within our SCORE program. We have several suppliers who started working on small contracts that now have grown to several million dollars annually. We even have companies we have mentored for years that are now paying it forward and helping mentor other smaller companies. Jessie Knight, SDG&E CEO, delivered the keynote address during Supplier Diversity Achievement Week (pictured below on right, with Ron Garnett) in April as part of our ongoing commitment to provide education and information on future opportunities for all DBEs.



Initiatives

SCORE Program - One of the most exciting programs launched by SDG&E in recent years is the Small Contractor Opportunity Realization Effort, or SCORE. The program was implemented at the end of 2011 to increase business opportunities for under-represented DBEs at our company and new initiatives have been implemented to improve the program for 2012. The original program goals were to spend \$3 million with these small companies over the next few

years. The program has far outpaced the goals with more than 30 new contractors and \$4 million spent to date - talk about running up the SCORE...touchdown! The SCORE initiative creates opportunities for small DBE companies to get their foot in the door working for a major utility and demonstrate their abilities to work on short-term agreements that can be sole-sourced. Once in the program, the DBE gains valuable insights and experience through

Meet Some of our SCORE Standouts

"Mentoring California Scenic Landscaping Co., Hankins Construction Inc., and Elliott & Wallace Paving & Grading, Inc. through the SCORE program has been a win-win process for all involved. It's been valuable for expanding our pool of suppliers in these areas and has provided SCORE contractors with mentoring in wide variety of projects. I have taken these contractors to previously completed projects so they can get a visual understanding of what SDG&E's expectations are when a site is 100 percent completed. I also impressed that companies share the same hyper vigilance toward safety by increasing awareness, emphasizing wearing proper personal protective equipment, setting up traffic control and other measures help teach companies how SDG&E makes safety a No. 1 priority. Helping small companies improve and learn how to successfully complete projects to SDG&E's standards has been very gratifying and a pleasurable experience for me. I look forward to continuing to mentor contractors, so they become successful."

Victor Alvarez, SDG&E Header Truck Asst. and SCORE Mentor



job estimating, proposal preparation and project feedback reviews.

Another very important result of the SCORE program was the negotiation of a Master Project Labor Agreement (PLA) with our local labor union representatives. With this PLA, DBEs will save time, effort and additional expenses in expanding into union represented contracting opportunities. By creating an immediate relationship with our

local labor unions, the SCORE DBEs are ready to jump into work without delay.

SDG&E is committed to putting in the time and effort to make SCORE a success and has assembled a cross-functional team that meets monthly to help identify SCORE project opportunities, provide mentoring opportunities, and address potential issues. SDG&E is committed to continuing SCORE outreach efforts through 2013 and into the future.

"Through the recommendations received through the SCORE program, SDG&E has helped us refine the work we do on our jobs (*pictured, left*). I also appreciate the mentoring and education opportunities I received through the USC and SDSU courses. It helped elevate my business practices and more clearly demonstrate the caliber of proficiency that California Scenic Landscape Co. is able to deliver customers like SDG&E."

Ann Musgrove, Vice President, California Scenic Landscape Co.

"My business is definitely improved after having worked on the SDG&E Gas Infrastructure Protection Program (GIPP) as part of the SCORE program and under a temporary project labor agreement with the local union. I was encouraged to earn high marks in my SCORE evaluation and proud to have received higher than an 'A' on my assessment. If our company is given additional opportunities I know we can perform, we just need to be pointed in the right direction like the Supplier Diversity Team has done so far. These people are passionate about what they do and I believe if I stay in contact with these professionals, my business will prosper."

Robert Wallace Jr., CFO/SEC, Elliott & Wallace Grading & Paving, Inc. (*pictured, right, along along with completed job site*)



Investing in the Smart Grid Creates New Opportunities

Smart Grid includes a plethora of projects that utilities across the United States are investing in to ensure the power grid can meet the growing customer needs for renewable energy with greater reliability and energy use. As a new initiative, SDG&E set out an ambitious goal of 15 percent in DBE spend for this new portfolio of projects. Once again SDG&E far surpassed the goal it set for itself and is happy to report that its Smart Grid Portfolio spent more than 25 percent with DBEs or \$21 million in 2012.

In order to ensure that DBEs are included in Smart Grid plans, SDG&E assigned DBE advisors to the various Smart Grid disciplines to identify near-term opportunities and begin tracking Smart Grid DBE spend. In 2012, two DBEs were selected to participate in the UCLA Advanced Technologies program to prepare them for

future opportunities. Additionally, a Smart Grid Panelist participated in the SDSU Technical Assistance program to present on what the advent of the Smart Grid means for SDG&E, along with its customers and suppliers.

In the future, we will continue to utilize the SDG&E Energy Innovation Center to host workshops to educate DBEs as well as the general public about Smart Grid advances and applications.

SDG&E Information Technology (IT)

Forum - SDG&E developed a forum to bring together key IT Department Project Managers with DBEs to better understand SDG&E's needs as we implement the utility of the future. The program included a panel briefing from the Director of SDG&E Application Services, along with project managers from every area of IT. Each DBE was able to present a brief capability statement highlighting their expertise and experience. Following the presentations, roundtable discussions were held to align areas of expertise with project managers in application development, infrastructure, telecommunications, information security, data management tools and more. The event was well received by both DBEs and IT department representatives and successfully generated business for DBEs from the event.

Supplier Recognition - As part of our ongoing mentoring efforts, the Supplier Diversity Team strives to gain local and national recognition for our exceptional DBE firms. In 2012, one of the firms SDG&E mentors was nominated at the local level by our sister utility, Southern California Gas, and went on to win the National Minority Supplier Development Council Supplier of the Year Award. Congratulations to Lily Otieno of Infinity Business Solutions (pictured, right) on her success.



Smart Grid insights: Experts from SDG&E attended the SDSU Technical Assistance program to share knowledge with attendees. Pictured: Josh Gerber, Smart Grid Manager; Scott Pearson, Director Engineering Services; Jonathan Woldemariam, Director Electric Transmission & Distribution Engineering; Athena Besa, Customer Programs Manager; and John Ritter, Facility Operations Manager.

Profiles in Success:

Zones, Inc.

"Zones, Inc. first worked with SD&GE in 2011 on an Information Technology storage upgrade project to prepare for the influx of data with the advent of the Smart Grid. Because of the leadership shown by Lana Radchenko and others at SD&GE to align DBE suppliers with important initiatives, we became involved in another Information Technology security project in 2012. After attending the IT Forum, presenting our capabilities and engaging with the key IT representatives within SD&GE, we feel very positive about future opportunities to expand our relationship with SD&GE."

Chris Piecukonis, Area VP of Enterprise Sales-Southwest, Zones, Inc.



Opportunities on the horizon: Andrew Kruszewski, Zones, Inc. Enterprise Account Manager; Lana Radchenko, SD&GE Supplier Diversity Manager; and Chris Piecukonis, Zones Area VP of Enterprise Sales-Southwest discuss new Smart Grid opportunities.



"Winning the NMSDC Supplier of the Year Award helped validate my capabilities and has been a complete blessing for my business. As an official mentee of SD&GE I appreciate everything the company has done to help me understand their culture and business as well as appreciation for nominating me for this award. I have received calls from different states as this award is helping me expand my company's reach and for that I am extremely grateful."

Lily Otieno, President & CEO, Infinity Business Solutions, NMSDC Small Business of the Year

2012 Awards



AND THE AWARD GOES TO...

Lana Radchenko, Supplier Diversity Manager, and Joe Velasquez, Director of Supply Management & Supplier Diversity for SDG&E, accept the President's Award and Corporation of the Year Award from the San Diego Regional Supplier Development Council.

Supplier Diversity

- ▶ American Indian Chamber of Commerce, CA - Turquoise Award
- ▶ Central San Diego Black Chamber of Commerce - President's Appreciation Award
- ▶ California Hispanic Chamber of Commerce - John Aquilar Procurement Achievement Award
- ▶ Elite Service Disabled Veteran Owned Businesses, San Diego (Elite SDVOB) - Gold Sponsor Award
- ▶ National Association of Women Owned Businesses, San Diego (NAWBO-SD) - Corporate Sponsor Award
- ▶ National Elite SDVOB - Corporate Supporter Award
- ▶ Women Business Enterprise Council-West (WBEC-WEST) Women in Motion Award
- ▶ San Diego Regional Supplier Development Council - President's Award
- ▶ San Diego Regional Supplier Development Council - Corporation of the Year

Corporate Diversity

- ▶ Diversity, Inc. - No. 2 on Top 5 Regional Utilities List
- ▶ HispanicBusiness.com - No. 4 on Top 25 Supplier Diversity Companies List
- ▶ Human Rights Campaign Foundation's Corporate Equality Index - 100 Percent Rating
- ▶ Recognized by the Human Rights Campaign Foundation in their "Best Places to Work" list

9.1.2 SUMMARY OF WMDVBE PURCHASES/CONTRACTS

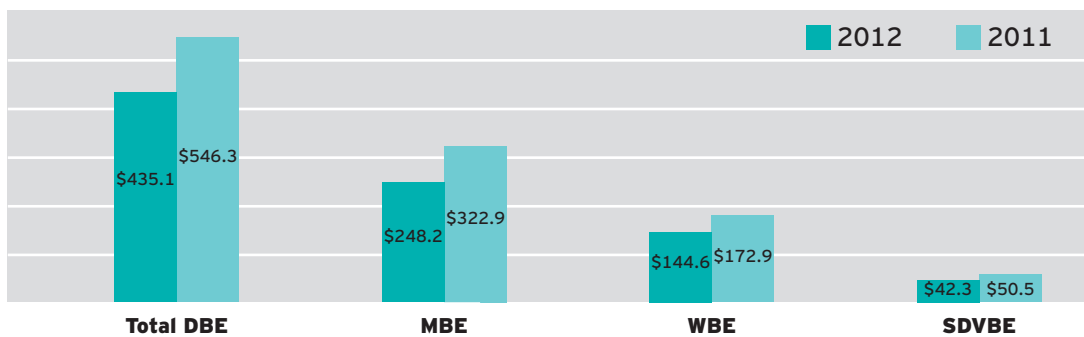
Of the \$435 million spent in 2012 with minority-, women-, and service-disabled veteran-owned business enterprises, or WMDVBEs, \$269 million was spent directly with 313 DBEs. The following table provides figures for direct and subcontracting spend with DBEs in 2012.

Total Direct/Sub Spending Summary for 2012 vs. 2011

	Year 2012				Year 2011			
	\$	%	# Suppliers		\$	%	# Suppliers	
Total Spend	\$1,206,379,805		Direct	Sub	\$1,432,736,971		Direct	Sub
Minority (MBE)	\$248,153,119	20.57%	155	130	\$322,880,776	22.54%	137	107
Women (WBE)	\$144,624,442	11.99%	134	103	\$172,913,400	12.07%	126	105
Service-Disabled Veteran (SDVBE)	42,331,909	3.51%	24	29	\$50,483,285	3.52%	24	23
Total WMDVBE	\$435,109,470	36.07%	313	262	\$546,277,461	38.13%	287	235

SDG&E 2012 DBE Compared to 2011

(\$Millions)



Minority-Owned Business (MBE)

Procurement - Minority-Owned Business enterprises (MBE) continue to make up the largest segment of DBE spending for SDG&E. In 2012, MBE spending topped \$248 million, or more than 20 percent of overall DBE results. This was a decrease of \$74 million, or 23 percent from 2011's record-breaking \$322 million with MBEs. The decrease in 2012 was attributable to the completion of the Sunrise Powerlink project, which incorporated more than \$134 million MBE spending in 2011 and decreased to \$56 million in 2012. Despite the decrease in overall percentage due to the Sunrise Powerlink project ending, there was a lot of progress made in working with MBEs through our 2012 "Diversifying our

Diversity" campaign and SCORE program, which together resulted in \$40 million in growth with MBEs in our core spend areas, including supplier categories we have found challenging in the past.

- ▶ Spending with Native American businesses posted the largest percentage gains with an increase over 2011's \$15.8 million to surpass \$27 million in 2012. Most of the increase was in key core areas such as pipeline construction and equipment suppliers, which is a key part of our strategy to increase spending in the core business areas that are needed every year.
- ▶ Spending with African American suppliers increased from \$43.7 million

Profiles in Success:

JP Gunitite - From Zero to \$1.2 million in Record Time

After a successful two-decade career in the concrete industry, Anthony Scira found himself without a job for the first time in his life after his employer went bankrupt in 2012. Rather than become defeated, Anthony seized the time off to pursue an idea he had been toying with for years, and created a company that went from inception to grossing over \$1.2 million dollars in the span of months.

Anthony had previously worked for the City of San Diego's Materials Testing Laboratory as a principal engineering aide, where he performed inspections on concrete and asphalt batch plants as well as special testing and quality control inspections for major jobs. This experience coupled with pivotal management expertise in a few different concrete companies provided the background necessary for him to come up with the idea for a new venture.

Anthony's idea was to utilize volumetric concrete mixer trucks, which efficiently produce high-quality concrete products on site, resulting in a wide variety of benefits including time and cost savings. After meeting an entrepreneur named Juan Padilla, the owner of JP Gunitite, a respected pool finishing company, which owned volumetric concrete trucks, the two men decided to join forces and change the focus of the company from pools to construction efforts.

Anthony knew utilities like SDG&E had a need for quality, efficient concrete products, and was interested in working with diverse suppliers, so one of his first calls was to the Supplier Diversity Department. "I appreciated the interest that I got from SDG&E from the start, and their assistance in explaining how I could become certified as a diverse supplier," explained Anthony Scira, JP Gunitite's Quality Control & Sales Manager, *(pictured, above right, with Juan Padilla)*.



"The Supplier Diversity team also put me in touch with the right contacts in the Construction Management team. We started with a small project in a remote, rural area and now currently supply five different crews using our volumetric trucks."

Because all the materials to mix the slurry are contained within the truck, it is a more eco-friendly operation than traditional methods. It also saves a lot of time because there is no lag time required for materials to be delivered, especially to remote locations, and the JP Gunitite team works along side the construction team immediately backfilling trenches to protect conduit once it is installed, ultimately increasing efficiency.

"Thanks to those at SDG&E that gave us a chance and kept open minds about utilizing a non-traditional approach, our company has grown substantially, and we think this is just the beginning of our success," says Anthony Scira.



in 2011 to \$46.5 million in 2012. The SCORE program, designed to increase participation in underrepresented DBE areas in our core business, spurred business with African American firms to more than double in these core areas from just under \$2 million in 2011 to more than \$5 million in 2012.

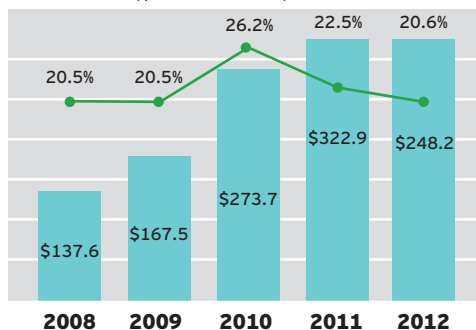
- ▶ Spending with Asian American companies also showed strong increases in 2012 with an increase of \$7 million in spending over 2011 for a total of \$48 million, an 18 percent gain compared to 2011.
- ▶ Spending with Hispanic businesses decreased significantly by \$98.2 million due to the important role they played in the Sunrise and Smart Meter projects.

Examples of Significant MBE Successes for 2012 include:

- ▶ An African American weatherization contractor increased its business with SDG&E by almost 15 percent in 2012 to more than \$6.5 million.
- ▶ Spending with Hispanic firms in core areas increased more than 6 percent with more than a \$5 million increase in pipeline construction.
- ▶ One Native American firm providing engineering service in our core spending area increased from \$5,000 in 2011 to an impressive \$1.7 million in 2012.

MBE - SDG&E

2008 to 2012 (\$Millions and %)

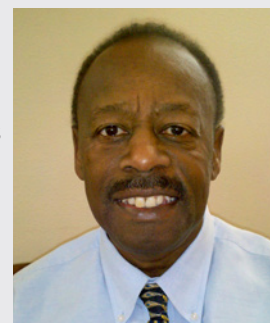


- ▶ An African American firm providing IT consulting services began work on a new major project for SDG&E called Smart Pricing Program with a spend of \$1.2 million.
- ▶ Spending was nearly tripled with an African American food service company that manages on-site dining services. The company partnered with SDG&E Diversity and Inclusion to sponsor a popular "employee of the month" recipe, which was featured in the café.

Profiles in Success:

Being at the Right Place at the Right Time

Willie Payne started his pest management business in 2006 with his wife and an assistant. Today the company has grown to three offices and 43 employees. Part of Payne Pest Management's success is attributed to the San Diego Chapter of the Minority Supplier Development Council (MSDC) helping him be at the right place at the right time.



"I met a representative from SDG&E at an MSDC event in 2009 and asked him how I could get an opportunity with SDG&E. He told me he would let me know when the contract was up for bid."

When the time came for the pest control contract RFP to be issued, the team alerted Willie that it was now his chance to submit a bid. During this same time, the SDG&E's Supplier Diversity team invited Willie to attend the Kellogg School of Business at Northwestern University on a scholarship supported by SDG&E. After putting his new lessons learned to use, Willie was pleased to find out it paid off, and was awarded the contract for pest control services for all SDG&E San Diego facilities.

"During my time at the Kellogg School of Management I was like a sponge, soaking up as much as possible to help me grow my business. After putting the information to use, I was eternally grateful to learn that I had been awarded the contract. This type of contract provides stability for my company and provides the opportunity for others to see first-hand the quality of our team.

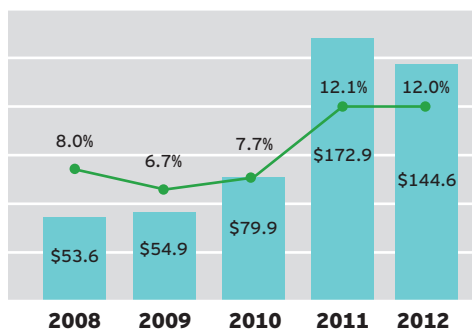
"Payne Pest Management was listed in the Dec. 2012 issue of Pest Management Professional as the 98th largest pest control company in the United States and the generosity of SDG&E helped put us there."

Women-Owned Business (WBE)

Procurement - Spending with Women-Owned Business enterprises (WBE) remained strong at almost 12 percent or more than \$144.6 million. This is the second year our spending with WBEs has topped the \$100 million mark and the seventh year we have exceeded the CPUC goal of 5 percent. Our WBE spending declined 16 percent from 2012 due to the completion of the Sunrise Powerlink and Smart Meter Projects, but there were upticks in our other major projects and spending in core areas.

WBE - SDG&E

2008 to 2012 (\$Millions and %)



Highlights of WBE success in 2012:

- ▶ WBE spending in our core areas increased by 8 percent from \$81 million in 2011 to more than \$87 million in 2012. Core disciplines that saw increases totaling \$4 million included HVAC, equipment rental and energy efficiency, representing almost a 72 percent gain over 2011 numbers in these categories.
- ▶ WBE spending for major projects increased from \$1.5 million in 2011 to \$2.9 million in 2012, almost doubling. This is due in large part to work beginning on our newest capital project, the East County substation, which utilized WBEs for environmental and biological consulting, management consulting and engineering services.



Profiles in Success:

Independent Energy Solutions

"Our projects with SDG&E have allowed us to give back to our home community while maintaining our core values of excellence, reliability, sustainability, value, and customer service. As a locally based woman-owned business, we face challenges in an extremely competitive marketplace, and SDG&E has remained attuned to the strengths that separate us from the pack. We are proud to work with a company that shows such a sincere commitment to renewable energy and to the people of San Diego. We look forward to a long, enduring collaboration with SDG&E as solar and energy storage continues to be viable options for grid-tied energy."

Linda Strand, CEO & President,
Independent Energy Solutions

Profiles in Success:

Phazer Electric - On the Forefront of Smart Grid Deployment

After a successful career in the utility business, George Bonner decided to strike out on his own in 2005 and created Phazer Electric Inc., a full-service electrical contracting and design firm. Fast-forward seven years and George Bonner is involved in numerous high-profile projects for SDG&E, including work on the most high-tech substation in company history and implementation of Smart Grid devices.

"When I founded my company I started out as a subcontractor and later received subsequent electrical services agreements with SDG&E," explains Mr. Bonner. "I shared the same company values and commitment to safety and customer service."

Mr. Bonner also serves as the Vice President of the San Diego Chapter of the Elite Service-Disabled Veteran's Business Network and works with SDG&E's Supplier Diversity team to help connect service-disabled veteran businesses with the company through presentations, matchmaking events and more. He also makes an effort to hire veterans and his company is made up of 50 percent veteran employees.

Phazer Electric participated in the Sunrise Powerlink infrastructure project by providing subcontracting services for both upgrades to the Imperial Valley Substation and working on the new Suncrest Substation. The company also helped with important efforts to increase reliability and safety by helping with providing design services for cable and switch replacements, as well as design services for switching out wooden poles with steel poles to "harden" SDG&E's system. Phazer Electric also helped install and connect solar panels as part of SDG&E's Sustainable Communities program and has installed the electrical connections for an experimental photovoltaic system that floats on water.

In Borrego Springs, SDG&E has created a Microgrid project in an effort to prepare for full deployment of

Smart Grid technology. Phazer Electric has been instrumental in the project through the installation of Home Area Network (HAN) devices.

"Home Area Network devices are instrumental in behavior modification," says Mr. Bonner. "When customers see the information on the device, which is connected to their Smart Meter, they can make informed decisions about their energy usage and possibly modify their behavior."

Because of the stringent security and privacy control issues related to the data transmitted through the HAN devices, Phazer Electric is one of the few companies in the state that has the expertise and security protocols and clearance to work on this type of project, and as a result, has received offers to do this type of work for other companies.

Mr. Bonner also participated in the Advance Technology Management Institute (ATMI), a program delivered by the UCLA Anderson Graduate School of Management and sponsored by California utilities to achieve greater involvement in Smart Grid projects. "I found it to be a valuable experience to attend the ATMI events at the universities and at Livermore Labs. The experts really gave specifics on future opportunities and how to prime your company to participate in Smart Grid efforts. It was a great validation for our previous work in a variety of areas and especially our current HAN rollout as we're already participating in the first wave of Smart Grid user interface."



Service-Disabled Veteran-Owned (SDVBE)

Procurement - SDG&E is proud to have doubled the CPUC Service-Disable Veteran-Owned business spending goal for the third year in a row. We spent more than \$42 million with SDVBEs in 2012, which equated to 3.5 percent. Although this is about \$8 million less than was spent in 2011, the percentage remains the same as 2011. The decrease in overall dollars spent is attributable to the completion of the Sunrise Powerlink, in which SDVBEs played a large role.

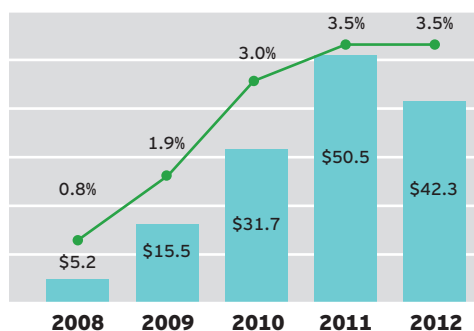
Although the Sunrise Powerlink and Smart Meter projects have been completed, the SDVBEs that were brought in specifically for those projects have gone on to work in our core areas, working with groups such as Electrical Construction, Environmental Services, Power Supply, Gas Field Operations and more. In addition to our "veteran" SDVBEs, we increased the number of SDVBE companies working with SDG&E from 39 in 2011 to 47 in 2012.

2012 SDBVE success stories include:

- ▶ Spend with long-time suppliers in our core areas for services such as office suppliers, printing and graphics and general construction showed stability or increased growth.
- ▶ We added seven new SDVBEs as prime suppliers for nearly \$2.6 million in areas such as general construction, consulting and inspection services.

SDVBE - SDG&E

2008 to 2012 (\$Millions and %)



Minority Women-Owned Business

Procurement - Minority women-owned businesses continue to play an ever-increasing role in SDG&E's DBE portfolio. In 2012, we spent nearly \$76.2 million, or more than 6.3 percent with minority women-owned businesses. This is down from 2011's record \$90 million spend with minority women-owned businesses due to the completion of the Sunrise Powerlink, which utilized a Hispanic woman-owned company as the top project supplier.

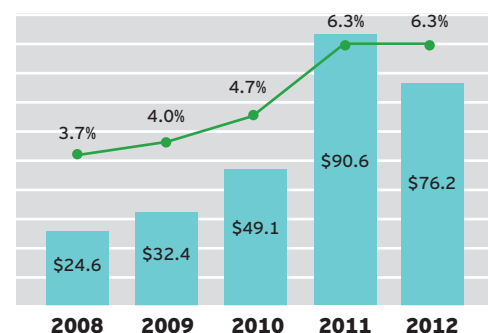
Overall, gains were made in every ethnicity of women-owned DBE other than Hispanic. Business with African American women-owned businesses increased by more than 25.7 percent, with Native American women-owned businesses by more than 24.5 percent, and with Asian American women-owned businesses by more than 33.4 percent. Notably, nearly \$13 million was spent with Asian Pacific women owned firms in 2012, up from a total of \$400,000 just four years ago.

Highlights from minority women-owned firms in 2012:

- ▶ We began working with 17 new minority women-owned firms in 2012 with \$6.3 million in spend.
- ▶ An African American woman-owned business continues to provide staffing services, a key core business solution with more than \$13 million in 2012

Minority Women - SDG&E

2008 to 2012 (\$Millions and %)



spending. In addition, they are also providing support for our new Smart Pricing Program.

- ▶ Spending with a Native American woman-owned business in our core pipeline construction division grew from just over \$12 million in 2011 to nearly \$16 million in 2012.

- ▶ An Asian Pacific woman-owned firm providing Information Technology services, one of our core spending areas, increased from \$3.8 million in 2011 to \$5.5 million in 2012. Two other Asian Pacific woman-owned firms combined for more than \$2.6 million in spending, also in the Information Technology segment.

- ▶ A Hispanic American woman-owned firm's business with SDG&E doubled in 2012 providing management consulting for the new Smart Pricing Program.
- ▶ A Hispanic woman-owned firm providing facilities support increased their business from \$20,600 in 2011 to over \$1.2 million in 2012.

9.1.3 ITEMIZATION OF WMDVBE PROGRAM EXPENSES

Expense Category	Cost (In thousands)
Wages	\$520
Program Expenses	\$503
Consultants	\$76
Total	\$1,099

Program expenses for the 2012 DBE program include items such as a promotional video, collateral development, networking events, technical assistance, capacity building, CPUC Supplier Clearinghouse payments, office support services and other program expenses. This represents a 22.5 percent increase from 2011.

9.1.4 SDG&E EXCEEDS ALL DBE CATEGORY GOALS SET BY THE CPUC

Business Category	2012 Goals	2012 Actual
Minority Business Enterprise (MBE)	15.0%	20.6%
Women Business Enterprise (WBE)	5.0%	12.0%
Service-Disabled Veteran Business Enterprises (SDVBE)	1.5%	3.5%
Total WMDVBE	21.5%	36.1%

9.1.5 SUMMARY OF PRIME CONTRACTOR UTILIZATION OF WMDVBE SUBCONTRACTORS

SDG&E is committed to educating suppliers about the value DBEs can provide to their businesses and continues to work closely with prime suppliers to utilize DBE subcontractors. In 2012 we had another strong showing in subcontracting success with \$166.6 million worth of business subcontracted to DBEs. Overall,

the number of DBE subcontractors increased from 235 in 2011 to 262 in 2012, an increase of 11.5 percent.

One of the large contributors to subcontracting results is the Sunrise Powerlink, with \$75.9 million or more than 45 percent of overall DBE subcontracting dollars. Although the project is complete,

there will be lasting residual effects related to the astonishing success of the Sunrise Powerlink project team and prime contractors to utilize DBE subcontracting on this major capital project. New strategies, matchmaking efforts and lessons learned will be utilized for years to come to bolster the subcontracting efforts at SDG&E.

The SDG&E team continues to emphasize commitment to supplier diversity in every RFP issued and encourages DBE inclusion in the bid process, which is part of the criteria for selecting prime suppliers. We require subcontracting reporting to be supplied each month and take action if a prime contractor does not meet the goals outlined in their contract. Executive meetings are held to take corrective actions if needed and future contract extensions or competitive bidding opportunities might be denied if DBE subcontracting commitments are not fulfilled. In 2012 we also hosted two webinars to assist prime suppliers in reporting their DBE subcontracting results. The subcontracting results are subject to an annual internal audit, performed by a DBE company (*featured below*), to review the accuracy and completeness of payments being reported by our prime contractors.

Subcontracting success stories in 2012:

- ▶ Subcontracting in core areas like construction, environmental and gas operations were nearly \$53 million or 31 percent of the DBE subcontracting dollars.
- ▶ Subcontracting with Sunrise Powerlink was \$75.9 million or more than 45 percent of the DBE subcontracting dollars
- ▶ Subcontracting with African American male-owned businesses increased from \$8.9 million in 2011 to \$13.2 million in 2012, an increase of 48 percent.
- ▶ Subcontracting with African American female-owned businesses posted gains from \$7.6 million in 2011 to \$9.2 million in 2012, an increase of nearly 20 percent.
- ▶ Subcontracting with Native American businesses had a staggering increase from \$391,000 in 2011 to \$7.8 million in 2012.

Profiles in Success:

Petteway Management Group

"Petteway Management Group was honored to audit the subcontracting spend of San Diego Gas & Electric and Southern California Gas Company. I have the utmost respect for the diversity managers of both companies for their desire to maintain the highest integrity in their reporting to the CPUC and the public, by voluntarily submitting to an unbiased examination of their DBE subcontracting spend.

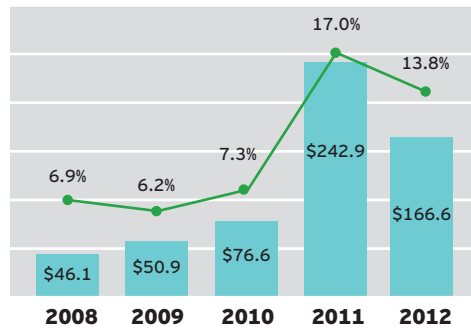
"Our team experienced first-hand the core value of supplier diversity that the Sempra companies have successfully embedded into their corporate culture. Not only did their spend totals bear out their commitment to partnering with small and diverse businesses - the level of undeviating courtesy and professionalism given to our team demonstrated the value the company and its employees place on diverse businesses."

Roxanne Petteway President and CEO, Petteway Management Group, LLC



► Asian American firms increased subcontracting from \$17.4 million in 2011 to \$23 million in 2012, over a 32 percent increase. One Asian American female-owned company providing metals for fabrication for many prime suppliers in our core business areas more than tripled her business with us from \$2.8 million in 2011 to \$9 million in 2012.

Subcontracting - SDG&E
2008 to 2012 (\$Millions and %)



2012 SDG&E	Minority Men	Minority Women	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Women-Minority Business Enterprise (WMBE)	Service-Disabled Veteran Business Enterprise (SDVBE)	Total (WMDVBE)
Direct \$	\$93,773,832	\$54,828,056	\$148,601,888	\$83,410,948	\$232,012,836	\$36,540,926	\$268,553,762
Subcontracting \$	\$78,214,164	\$21,337,068	\$99,551,232	\$61,213,494	\$160,764,726	\$5,790,983	\$166,555,709
Total \$	\$171,987,996	\$76,165,124	\$248,153,120	\$144,624,442	\$392,777,562	\$42,331,909	\$435,109,471
Direct %	7.77%	4.54%	12.32%	6.91%	19.23%	3.03%	22.26%
Subcontracting %	6.48%	1.77%	8.25%	5.07%	13.33%	0.48%	13.81%
Total %*	14.26%	6.31%	20.57%	11.99%	32.56%	3.51%	36.07%
Total Procurement	\$1,206,379,805						

*Percentage may not equal total due to rounding

Profiles in Success:

ARB, Inc., A Subcontracting Win-Win

One heavy construction contractor that has worked with SDG&E for more than 20 years, ARB, Inc., has displayed a strong commitment to subcontracting with diverse suppliers. ARB, Inc. describes how one subcontractor in particular is the epitome of a win-win relationship.

Keep it Moving has worked closely with ARB, Inc. as a DBE subcontractor since 2003. As a certified MBE, Keep It Moving provides general construction services such as equipment rental, trucking services, trench plates, shoring and crane services.

The growth that Keep it Moving has experienced in recent years has been a direct result of ARB's mentorship program. ARB has been instrumental in the development of strategic industry relationships and partnerships that have enabled Keep it Moving to build a strong supplier network and offer a much wider range of services, allowing them to claim more of an edge in a competitive marketplace.

The integration of additional general construction services to Keep it Moving's core business has increased their value and made them a key subcontractor on ARB projects. This mentorship has served to not only improve efficiency on specific projects, but to assist both ARB and Keep It Moving with their overall commitment to diversity.

9.1.6 LIST OF WMDVBE COMPLAINTS

There were no formal complaints filed with the CPUC or lawsuits filed in 2012.

9.1.7 SUMMARY OF PURCHASES/CONTRACTS FOR PRODUCTS/SERVICES IN EXCLUDED CATEGORIES

The November 14, 2003 ALJ General Order 156 Ruling ended exclusions, resulting in specific categories no longer being deducted from the fundamental procurement amount.

9.1.8 DESCRIPTION OF EFFORTS TO RECRUIT WMDVBE SUPPLIERS

In 2012, SDG&E worked extremely hard to increase DBE suppliers in low utilization categories. Gains were made in electric procurement, legal and financial services spending due to the cumulative efforts of many individuals at SDG&E, including the executive champions in these areas. While challenges still exist in these highly specialized skill areas or where substantial financial credit and capital is required to transact business, SDG&E has been successful in working through these challenges and has worked with DBEs in all these areas as described more fully below.

Before getting to our recruiting efforts in these more specialized areas, it is important to remember that SDG&E's SCORE program, previously discussed, serves a very important recruitment function in the small, diverse business space. As mentioned previously, SDG&E's SCORE program has successfully recruited over 30 new small suppliers to work directly with SDG&E.

Financial Services

SDG&E continues to make inroads in the financial services community and search for meaningful opportunities to utilize DBEs. In 2012 we spent more than \$3.3 million with DBE firms, which equated to 21.5 percent. This is the first year we surpassed the 21 percent goal with financial services and

we're extremely proud of reaching this milestone. This equates to a 50 percent increase over 2011 spending of \$2.2 million or more than 16 percent.

Success stories in financial services:

- ▶ SDG&E increased the number of financial services firms we worked with from 18 in 2011 to 21 in 2012.
- ▶ Spending with WBE financial services firms nearly quadrupled in 2012, reaching nearly \$2 million.
- ▶ SDG&E issued \$250 million first mortgage bond of 30-year notes with a DBE.

SDG&E has worked closely with minority-owned investment banking firms in the last few years and has transformed DBE participation in those transactions by affording them increasingly more active, leading roles. In 2012, a minority-owned firm, which started out as a co-manager on previous bond transactions was awarded a joint bookrunner role on a \$250 million first mortgage bond issuance of 30-year notes. The deal garnered a 4.3 percent coupon rate, an extremely competitive pricing level. As of the date of the transaction, the debt issuance represented the second lowest new issue spread amongst the 52, 30-year offerings completed in the investment

SDG&E 2012 WMDVBE Firm Utilization				
Type of Transation	Amount	WMDVBE Category	Role	Percentage Allocated to Firm
First Mortgage Bonds	\$250 million	MBE	Joint book running manager	23.5%
		SDVBE	Co-manager	3%
		MBE	Co-manager	3%

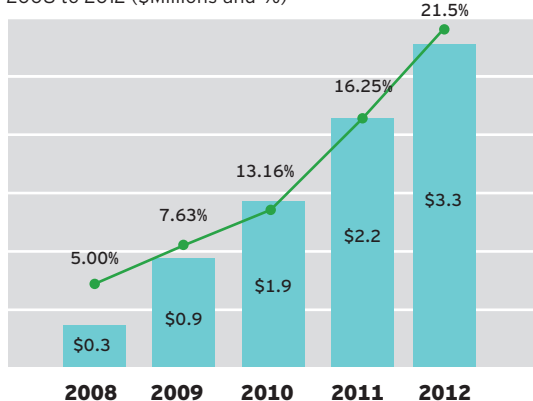
grade market, behind a large, multi-national corporation. The order book was more than two times oversubscribed and the minority-owned joint bookrunner brought in approximately \$7.75 million of the orders and were allocated \$1.95 million of the bonds. In this same transaction, we selected two diverse firms to co-manage the offering.

All of SDG&E's executives, directors and managers in Finance are actively involved in numerous professional financial and networking organizations and routinely attend and speak at events related to increasing DBEs in the financial services arena. The team routinely attends activities with the National Securities Professionals Organization and CPUC events such as the "New Connections Symposium" at which Bob Schlax, SDG&E Vice President,

Controller & CFO was a panelist. This consistent and solid involvement by our executives and associates demonstrates our commitment to continue expand this area of our business to DBEs.

Finance - SDG&E

2008 to 2012 (\$Millions and %)



Profiles in Success:

Samuel A. Ramirez & Company

"As a small financial services firm, we have been in business for 40 years. Doing corporate finance taxable bond work there are very few corporations that use small minority-owned firms for these responsibilities. Having this work from such a prestigious client gives us instant credibility because if SDG&E uses us in this role, it helps us stand out in the market and demonstrate the capabilities of our firm. Once we were able to show that we can execute transactions of this magnitude just as effective as the big firms it definitely opened doors.

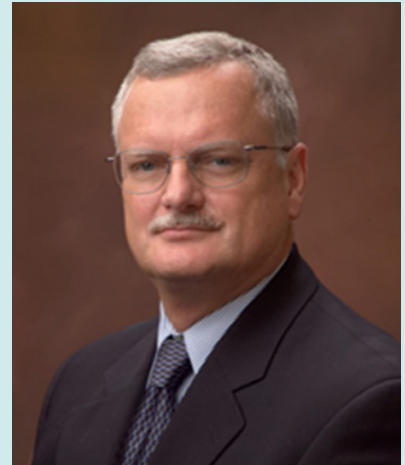


"Everyone we have encountered at SDG&E has been extremely helpful and supportive, most notably Bob Schlax, Lee Schavrien, and Mark Roberge. They have expressed a concrete commitment to minority firms and we are grateful for the opportunities we have earned."

Samuel A. Ramirez, President, Samuel A. Ramirez & Company

"In 2012 we broke new ground by surpassing 21 percent of our total financial services spending with diverse businesses. Considering that we were at less than five percent five years ago, this is a notable accomplishment. I want to express my sincere thanks to the entire Financial team at SDG&E and Sempra for ensuring expanding opportunities with diverse businesses remains one of our top priorities. But our work is certainly not finished. We continue to build long-lasting relationships with DBEs in the financial services arena and, where opportunities arise, we will continue to seek their assistance. Their considerable financial acumen, expertise and competitive spirit provide value to our customers as well as to our shareholders."

Bob Schlax, SDG&E VP, Controller & CFO



Diversity Champion

Innovation Award - Dawn Andrews, Sempra Energy's Chief Employment Counsel

Dawn Andrews was presented the Innovation Award at SDG&E's coveted internal awards program, the Championing Diversity Awards, for her efforts bringing first-year diverse law students into the company for the past four years to learn the skills necessary to be successful in corporate legal environments through temporary assignments. She also organized and hosted a networking reception to introduce applicants to prospective law firms and many more activities to help new, diverse attorneys succeed.

Legal Services – SDG&E’s determination to continually increase spending with DBE legal firms paid off in 2012 with a modest increase in legal spending, which topped \$2.6 million. This represents 8.1 percent of all legal spending, up from 6.2 percent in 2011. The number of DBE law firms that represent the company in 2012 was 17, with eight being minority-owned law firms. SDG&E makes an effort to include DBE law firms in most, if not all, areas of legal practice and always considers DBE firm inclusion for each new case. Typical cases DBE law firms participate in include general law, securities, real estate, intellectual property, workers’ compensation, venture capital projects, employment law and asset recovery.

SDG&E’s General Counsel regularly meets with lawyers from emerging DBE firms to develop relationships with attorneys who may be able to provide legal services to the utility in the future. SDG&E attorneys also strive to develop and maintain relationships with diverse attorneys at majority-owned firms. In 2012, SDG&E spent \$3.3 million with minority attorneys at majority-owned law firms, representing 9.9 percent of total spend at those firms.

SDG&E and Sempra Energy support diverse bar associations numerous times each year such as the Pan Asian Bar Association, Earl B. Gilliam Bar Association and more. SDG&E Senior Vice President and General Counsel Dave Smith was just elected by the Board of the California Minority Counsel Program (CMCP) to be Co-Chair for the next two years. CMCP’s mission is to provide access and opportunity for minority attorneys in California to increase their client base and business. CMCP is a nationally recognized organization and is considered one of the leaders assisting minority attorneys. Dave Smith is also on the California State Bar

Association’s Council on Access, which serves as a “diversity think tank.” All legal team members are committed to attending networking events and participating in activities to help advance the legal population for diverse individuals and businesses.

Sempra Energy is a founding member and annual participant in the San Diego County Bar Association/Association of Corporate Counsel-San Diego Diversity Fellowship Program (DFP). Each summer, Sempra Energy hosts two diverse law students from local law schools to perform work for the Sempra Energy utilities. Sempra Energy also successfully solicits additional law firms and corporate law departments to join the DFP and host law students for the summer. A number of participants have received full-time jobs from their host firms/law departments as a result of their fellowship participation.

Profiles in Success:

Andrews, Lagasse, Branch & Bell, LLP

“SDG&E has been a consistent, supportive voice in the call for diversity. Whether it is working with vendors, providing diversity training for their own personnel, or supporting initiatives aimed at increasing diversity within the legal field, SDG&E’s commitment is unwavering. SDG&E has also been a strong supporter of the San Diego County Bar Association Diversity Fellowship Program and it has opened doors for numerous diverse law students.”

Jonathan D. Andrews, Esq. Andrews, Lagasse, Branch & Bell, LLP



"Receiving the California Bar Foundation Diversity Scholarship, sponsored by SDG&E, has been tremendous for me academically and personally. The mentors provided to me by SDG&E, Hollie Bierman and Jonathan Newlander, have been very helpful guiding me through the daunting task of succeeding in my first year of law school. I am very appreciative of the opportunity I have been given. Thank you."

Claude Denver Durden Jr., J.D. Candidate 2015, University of San Diego School of Law

In another education initiative to encourage diverse students to enter the law profession, our attorneys mentor high school students as part of the Crawford High Law Academy where Dave Smith is also on the board. Three company attorneys take the time to mentor and work with the students to help with college applications and future plans. The purpose is to give them exposure to professionals so they can learn how to interact on a professional level.

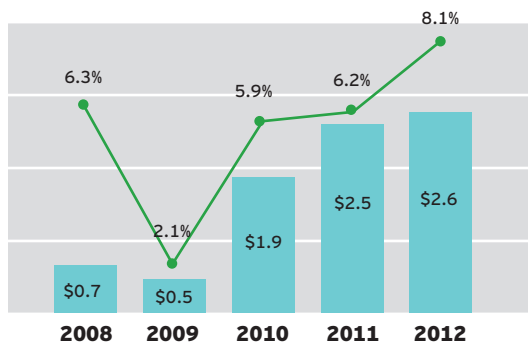
SDG&E also sponsors a diversity scholarship through the California Bar Foundation to help interested students attend law school. Rather than just sponsoring the scholarship, SDG&E provides mentoring and assistance that is invaluable to helping students

succeed in rigorous law school programs, thus helping with "pipeline" improvement efforts and ultimately these candidates' future success.

All of these outreach efforts have resulted in an increase in legal spending for 2012 as well as success stories like spending almost tripling with a woman-owned law firm that eclipsed the \$700,000 mark. Unfortunately, SDG&E is still working on a set of cases known as "Firestorm," that has diluted the overall DBE legal spend. If we could set aside the "Firestorm" cases, our DBE legal achievement would have been closer to 30 percent, which shows more accurately the effort that has gone into increasing our legal DBE results.

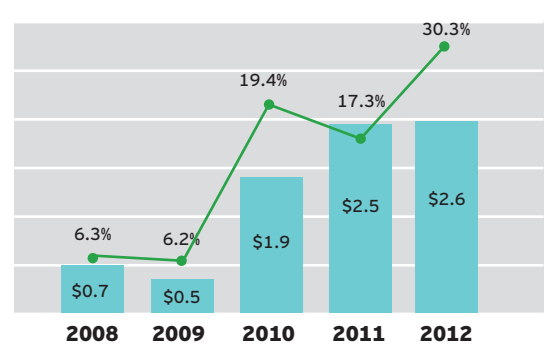
Legal - SDG&E

2008 to 2012 (\$Millions and %)



Legal without "Firestorm"- SDG&E

2008 to 2012 (\$Millions and %)





“The Sempra utilities remain committed to furthering diversity in the legal profession through education, outreach, mentoring and scholarship opportunities. SDG&E has made significant progress in partnering with minority and women-owned law firms with majority-owned law firms as we now have three major litigation cases in which this has occurred, including cases for Firestorm litigation. Taking this into account, we are optimistic that 2013 will continue to show better results in spending with DBEs.”

Dave Smith, SDG&E Senior Vice President and General Counsel

2012 SDG&E Legal Spend: Diverse Attorney Work Within Majority Legal Firms		Total
Minority Men	African American	\$285,908
	Asian Pacific	\$125,955
	Hispanic	\$735,065
	Native American	\$3,951
	Other	\$955,212
	Total Minority Men	\$2,106,091
Minority Women	African American	\$475,769
	Asian Pacific	\$107,318
	Hispanic	\$36,280
	Native American	\$ -
	Multi-Ethnic	\$572,847
	Total Minority Women	\$1,192,214
Total Minority Business Enterprise (MBE)		\$3,298,305
Non Minority Women (WBE)		\$11,424,170
Total Women, Minority Business Enterprise (WMBE)		\$14,722,475
Service-Disabled Veteran Business Enterprise (SDVBE)		\$0
Non Minority Men		\$18,474,794
Grand Total: All Minority/Non-Minority		\$33,197,269

**Note: Figures are estimated

**Firestorm total spend for attorneys is \$24,672,778 for 2012

2012 SDG&E Legal Spend: Diverse Paralegal Work Within Majority Legal Firms		Total
Minority Men	African American	\$-
	Asian Pacific	\$468,365
	Hispanic	\$817,835
	Native American	\$-
	Other	\$1,062
	Total Minority Men	1,287,262
Minority Women	African American	\$568,177
	Asian Pacific	\$-
	Hispanic	\$105,884
	Native American	\$-
	Multi-Ethnic	\$2,558
	Total Minority Women	\$676,619
Total Minority Business Enterprise (MBE)		\$1,963,881
Non Minority Women (WBE)		\$287,132
Total Women, Minority Business Enterprise (WMBE)		\$2,251,013
Service-Disabled Veteran Business Enterprise (SDVBE)		\$0
Non Minority Men		\$783,091
Grand Total: All Minority/Non-Minority		\$3,034,104

**Note: Figures are estimated

**Firestorm total spend for paralegals is \$2,626,142 for 2012

9.1.9 RETENTION OF ALL DOCUMENTS/DATA

SDG&E will preserve all documents and data related to its DBE annual report for (a) three years or (b) the timeframe that is in compliance with SDG&E’s internal document

retention policy, whichever comes later. SDG&E will provide these document and data to the Commission upon request.



9.1.10 SUMMARY OF PURCHASES IN PRODUCT AND SERVICE IN ADDITIONAL CATEGORIES

Per the General Order 156 OIR, this section is to report the summary of purchases in product and service categories that include renewable and non-renewable energy, wireless communications, broadband, smart grid and rail projects, in addition to their current reporting categories. For our renewable energy related projects, we have outlined some of our accomplishments below.

In 2012 we completed our largest capital project in company history, the Sunrise Powerlink. Because of extensive outreach efforts, matchmaking and subcontracting, the percentage of DBE spend over the life of the project was 37.7 percent, or \$417.9 million. Sunrise will continue to provide residual benefits because the DBEs brought in will likely be able to work on similar projects in the future and the strategies used to bring the DBEs into our company will continue to pay off with similar projects.

Another large, capital project that was primarily from 2010 and 2011 has some residual spend in 2012. The Smart Meter project only had \$3.7 million in DBE spend as the final details of the project were closed out, but its notable to mention because the installation of the Smart Meters really is the first step in implementing Smart Grid infrastructure.

Smart Grid was a major focus for 2012 and networking and educational events were designed specifically to help DBEs understand the upcoming opportunities on the horizon related to Smart Grid applications and technology deployment.



10.1.1 GOALS

SDG&E continues to set ambitious DBE spending goals, committing to 35 percent targeted DBE spending in 2013. In order to achieve this goal, we will continue our long-term strategy of developing and expanding our base of DBE suppliers in our core gas and electric operations and construction areas, while augmenting the DBE spending with new initiatives and emerging areas. We will do this by:

Aligning DBEs with Key Capital Projects -

Following the successful model of the Sunrise Powerlink, capital projects and strategic initiatives such as Smart Grid, Pipeline Safety Enhancement Project, the East County Substation and solar generation development will be opportunities for DBEs. Sourcing plans for these projects will specifically identify high potential areas for DBE opportunities.

Focusing on Smart Grid - Our 2012 results have yielded some early success in this

area and we will look for opportunities to expand DBE participation by having teams responsible for DBE integration in each of the six strategic areas of the Smart Grid Deployment Plan.

Leveraging Outside Agencies and

Expertise - Utilizing our Community Based Organizations will help augment our DBE recruiting efforts and spend in lower performing areas such as African, Asian and Native American diversity spend helping us to expand our "diversity in diversity."

Technical Assistance - Continue to enhance our Technical Assistance programs so that they are responsive to DBEs needs, robust and effectively executed.

Reporting and Communication -

Continue to improve DBE reporting and communication tools for internal clients to better monitor and manage their DBE performance and instill greater accountability.

PRODUCTS

Short-Term (2013)					Mid-Term (2015)					Long-Term (2017)				
Minority		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Service-Disabled Veteran Business Enterprise (SDVBE)	Minority		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Service-Disabled Veteran Business Enterprise (SDVBE)	Minority		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Service-Disabled Veteran Business Enterprise (SDVBE)
Men	Women				Men	Women				Men	Women			
13.0	2.0	15.0	5.0	1.5	13.0	2.0	15.0	5.0	1.5	13.0	2.0	15.0	5.0	1.5

SERVICES

Short-Term (2013)					Mid-Term (2015)					Long-Term (2017)				
Minority		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Service-Disabled Veteran Business Enterprise (SDVBE)	Minority		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Service-Disabled Veteran Business Enterprise (SDVBE)	Minority		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Service-Disabled Veteran Business Enterprise (SDVBE)
Men	Women				Men	Women				Men	Women			
13.0	2.0	15.0	5.0	1.5	13.0	2.0	15.0	5.0	1.5	13.0	2.0	15.0	5.0	1.5

PRODUCTS AND SERVICES TOTAL

Short-Term (2013)					Mid-Term (2015)					Long-Term (2017)				
13.0	2.0	15.0	5.0	1.5	13.0	2.0	15.0	5.0	1.5	13.0	2.0	15.0	5.0	1.5
21.5					21.5					21.5				

WMDBVE Annual Short-, Mid-, and Long-Term Goals by Product and Service

Categories By Percentage of Spend - The SDG&E supplier diversity goal is to exceed the requirements of General Order 156, with the short-, mid-, and long-term goals of achieving 35 percent spend with diverse suppliers. Since the makeup of our diverse suppliers is ever changing, we have not established specific goals within each sub-category.

Short-Term	Mid-Term	Long-Term
35%	35%	35%

10.1.2 DESCRIPTIONS OF WMDVBE PROGRAM ACTIVITIES

Internal

The Supplier Diversity Team will continue to enhance all the internal activities previously mentioned in section 9.1.1 of this report to build upon our success. This includes further leveraging the new Supplier Diversity report structure under Supply Management, which produced excellent results in 2012. We also plan to set DBE percentage targets for every portfolio, project and vice president. Additionally, we will improve the DBE reporting and communication tools for internal clients to better monitor and manage their DBE performance and instill greater control over this objective.

External

The Supplier Diversity Team will continue with its successful external strategies as previously mentioned in section 9.1.1 of this report. Because the SCORE program was so successful at bringing in new MBEs we will continue to offer opportunities to small suppliers under our SCORE program.

Smart Grid planning and implementation will be an ongoing business focus for SDG&E in 2013 and beyond and the Supplier Diversity Team plans to ensure that DBEs are involved in these opportunities. The team plans to organize Smart Grid-specific network and technical assistance events modeled after past years' successes to spur involvement and heightened opportunities.

10.1.3 PLANS FOR RECRUITING WMDVBE SUPPLIERS WHERE WMDVBE UTILIZATION HAS BEEN LOW

We are proud of the strides made in electric procurement with DBEs, but this is still an emerging area that requires a lot of involvement and attention to assure there is continued growth.

We plan to focus on matching Smart Grid projects with opportunities for DBE participation, which will be in the forefront of our activities. We also plan to create

stronger partnerships with our Community Based Organizations to help expand in underrepresented areas.

In legal services, we plan to continue our outreach and mentoring activities with the goal of engaging our legal team early when significant let matters occur. We also plan to engage DBE legal firms for a particular set of cases resulting from “firestorm” litigation.

10.1.4 PLANS FOR RECRUITING WMDVBE SUPPLIERS IN ANY EXCLUDED CATEGORY

SDG&E has eliminated all excludable items in compliance with the recent modifications made to General Order 156.

10.1.5 SUBCONTRACTING ACTIVITIES

Due to our past success in having prime suppliers engage DBE subcontractors, we will continue to enhance activities previously mentioned in section 9.1.5 of this report. We will continue to improve upon process for tracking and comparing subcontracting commitments to actual prime supplier subcontracting spend.

We will assign a DBE advisor to every major prime with a subcontracting

commitment. In doing so, we will more effectively monitor the prime suppliers’ performance and be able to collaborate on how to improve performance and, where applicable, incorporate this effort as part of the Supplier Relationship Management (SRM) process. We will also recognize prime suppliers who have performed well in DBE subcontracting efforts and who set an example for others.

10.1.6 PROGRAM COMPLIANCE

SDG&E will continue its efforts to meet or exceed all requirements established by General Order 156.



Proud of our year of “firsts”

Message from Jim Avery, SDG&E Senior Vice President Power Supply

Thanks to the passion, commitment and creativity of our team, 2012 was a year of notable achievements and landmark “firsts” in power procurement for SDG&E. On June 28, 2012 SDG&E became the first California utility to execute an electric wholesale power purchase agreement with a Diverse Business Enterprise (DBE), just one in a series of milestones achieved throughout the year in this new DBE reporting area. We are also proud that the focus on electric power procurement did not detract in any way from our long-standing leadership in natural gas procurement, and we believe, helped create momentum for another record year.

SDG&E purchased \$76 million, or more than 35.5 percent of natural gas with DBE suppliers, an increase of 16 percent over 2011 results. SDG&E continues to excel in DBE gas procurement, relentlessly identifying new natural gas suppliers to continually expand opportunities.

The tenacity and willingness to innovate guides our natural gas procurement success and certainly helped in our quest to create an effective electric



procurement DBE program. The story behind our success began months before our record-setting transaction in June. We kicked off 2012 with concrete goals in mind and a strategic roadmap designed to achieve maximum results.

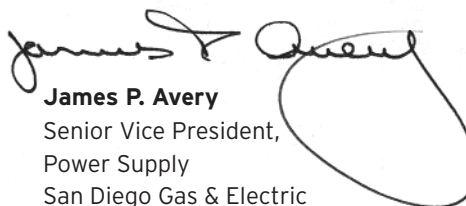
A key effort that helped guide our team's success was the SDG&E DBE Power Suppliers Advisory Panel. The invaluable knowledge and input by members from the CPUC, DBEs and utility industry partners with expertise in regulatory, legal and finance helped promote DBE inclusion into the electric procurement marketplace.

The progress made through this initiative combined with the countless hours spent by our dedicated team to mentor and provide technical assistance to DBEs were the primary reasons for our achievements.

In all, SDG&E transacted with three different DBEs for short-term wholesale power agreements and enabled five wholesale DBE counterparties during 2012. We also signed a combined heat and power purchase agreement with a Native American DBE and two long-term power purchase agreements for renewable energy in Imperial Valley, which will be delivered over SDG&E's new Sunrise Powerlink transmission line. Yet another first in California was achieved when SDG&E executed the first Renewable Energy Credit transaction from a DBE supplier. These efforts amounted to almost \$1 million in DBE spend in Electric Power Procurement. Combined with our natural gas procurement, SDG&E is proud to report 21.3 percent DBE spend in energy products, which is just shy of the California Public Utility Commission goal of 21.5 percent DBE spend.

We're proud of our 2012 DBE accomplishments in electric power procurement, and will continue to look for new ways to expand the participation of DBEs in this market. For example, we obtained a commitment from a renewable energy project with whom we have a power purchase agreement to work with DBEs during the project development phase and track their DBE subcontracting spend. We think this is one important strategy that will offer significant opportunities to DBEs in the future.

As we look forward to 2013, we're confident that our phenomenal team will continue to set high goals and achieve them through their perseverance and willingness to take on challenges. Congratulations to all involved for kicking off this new era of electric procurement with DBEs in a record-breaking fashion.



James P. Avery
Senior Vice President,
Power Supply
San Diego Gas & Electric

Creating opportunities together

SDG&E is pleased to report 2012 was a year of continued success in Power Procurement. Our company continues to lead California's investor-owned utilities in procuring natural gas from diverse businesses for our fleet of electric generation plants with \$76 million purchased from diverse suppliers in 2012, representing 35.5 percent of all natural gas purchases for electric generation. SDG&E also made exceptional strides and achieved a number of milestones in our first full year of reporting in electric procurement with DBEs. We are proud to report achieving almost \$1 million of DBE spend in electric power procurement, representing transactions with new DBE suppliers (which exclude Power Purchase Agreements prior to June 6, 2011). Combined with our natural gas purchases, SDG&E is proud to report 21.3 percent DBE spend in energy products, which is just shy of the California Public

Utility Commission goal of 21.5 percent DBE spend.

In May 2011, the CPUC modified General Order 156 to require statewide reporting of procurement of electric products from DBEs. SDG&E's Electric and Fuel Procurement department and Supplier Diversity team quickly mobilized to identify and pursue opportunities and come up with viable solutions to assist new DBEs to provide this service to SDG&E. One of SDG&E's goals was to have at least one electric market power purchase by the end of 2012, which would serve as a foundation on which to build a program aligned with the goals envisioned by the CPUC. SDG&E took on these new challenges and blazed new trails in every area of electric procurement to help increase awareness, encourage new suppliers to enter the market and provide technical assistance in this complex, specialized area.



"SDG&E has made a concerted effort to increase the number of diverse-owned suppliers we do business with in electric power procurement. I want to thank everyone involved for their contributions toward our successes in 2012 and continue to encourage the kind of innovative thinking that resulted many 'firsts' for the industry. We look forward to continuing to expand DBE participation in our procurement portfolio as we meet our retail customers' needs."

Matt Burkhardt, SDG&E's Vice President of Electric and Fuel Procurement

21.3%

DBE spend in energy products

During 2012, SDG&E met the company's internal goal of becoming the first California utility to successfully complete three short-term wholesale power purchase agreements with multiple DBE suppliers. The team continued to cast a wide net to identify, educate and mentor potential suppliers and ended 2012 with five suppliers enabled to participate in wholesale power purchase deals.

SDG&E also executed a Renewable Energy Credit transaction with a woman-owned business, which is an important step in helping meet the Renewable Portfolio Standard goals. SDG&E also utilized this DBE for one electric power transaction through the Funds Transfer Agent Agreement (FTAA).

Finally, another significant success is the inclusion of DBEs in two new long-term power purchase agreements in Imperial Valley totaling 40 megawatts (MW) of renewable energy with diverse business enterprise (DBE) participation. The first contract is DBE-owned via a partnership between Regenerate Power and DBE supplier TallBear Solar. The second contract is with a partnership between 8minutenergy and Gestamp Solar, who have committed to contracting 50 percent of the project costs to diverse-owned businesses.

One of the key reasons for these successes was SDG&E's leadership in creating and implementing the SDG&E DBE Power Suppliers Advisory Panel (PSAP) (described on page 48 of this report). The PSAP provided an inclusive forum for the participants to discuss the challenges for DBEs that limit participation in the electric procurement marketplace. Through better understanding of these obstacles, we were able to apply innovative thinking to help create solutions. Building on the momentum of SDG&E's PSAP and CPUC workshops, another panel was also formed to address these issues for the California Investor Owned Utilities called the Supplier Diversity Roundtable (SDR).

While there is still a lot of work ahead in electric power procurement to reach the 21.5 percent goal, SDG&E is proud to have succeeded in making crucial inroads into the identification and utilization of new DBEs in this challenging area.

9.1.1 DESCRIPTION OF WMDVBE PROGRAM ACTIVITIES

Internal Activities - The DBE team has forged strong ties with internal power procurement teams through the years. In late 2011, the team worked very closely together to create a system and environment in which DBE electric procurement could become a reality in 2012. By really understanding the complicated regulations and credit requirements and meeting on a regular basis, the team was able to come up with innovative solutions to seek out and mentor possible suppliers.

Executive and Team DBE Commitment - The Electric Procurement Team and Supplier Diversity Team worked side-by-side to accomplish the 2012 goal of cementing a deal with a DBE supplier in electric procurement. The year kicked off with a strategic brainstorming meeting of our internal stakeholders. The group met on a bi-weekly basis to identify opportunities, challenges and solutions on how to include DBEs in this area.

The Vice President of Electric and Fuel Procurement, Matt Burkhart, leads and inspires his organization to incorporate

supplier diversity at every monthly staff meeting and schedules bi-weekly meetings with the Supplier Diversity Program Manager to monitor progress. Matt Burkhart also participated in the Edison Electric Institute (EEI) Conference, "New Energy: New Strategies for Generating Growth" to discuss best practices with his counterparts and share opportunities in electric procurement with the audience.

In addition to the drive and commitment demonstrated by the executive leadership team, all members of the team from every level have gone above and beyond expectations to embrace diversity in the power commodity. As an example, the team established DBE participation as an added criterion for the evaluation of Renewable Auction Mechanism (RAM) RFPs, and the Renewable Portfolio Standards (RPS) RFOs.

Executive-level support and involvement helped make the program a reality and as with everything done by SDG&E, a strong business case was made from the ratepayers' perspective.



Strategic thinkers: Bill Jayne, GE Energy, Region Executive; Brian L. Wolff, Senior Vice President, External Affairs, Edison Electric Institute; and, Matt Burkhart, VP Electric and Fuel Procurement, SDG&E, impart their wisdom as part of the EEI "New Energy: New Strategies for Generating Growth" conference.

Recognition as Diversity Champions

The hard work and creativity of SDG&E's Electric and Fuel Procurement team members was recognized at the 2012 Championing Diversity Awards, SDG&E's coveted internal awards program. Awards for innovation, teamwork and leadership were bestowed upon team members for their trailblazing efforts.

Innovation Award - Vince Bartolomucci

Vince Bartolomucci was recognized for impressive leadership in DBE fuels procurement. Vince has helped increase natural gas procurement from DBEs from 10 percent in 2006 to 35.5 percent in 2012. He was instrumental in meeting SDG&E's goal of being the first utility in the state to complete a wholesale short-term power purchase agreement with a minority supplier utilizing an Edison Electric Institute Contract and the Funds Transfer Agency Agreement. Vince (*pictured receiving his award from Patti Wagner, Sempra Energy VP of Audit Services*) was recognized as a leader who uses creativity to improve the quality, efficiency and cost-effectiveness of an impactful process.



Excellence Award - Jim Avery

The Excellence Award represents the top honor in diversity achievement and was presented by SDG&E Chairman and CEO, Jessie Knight. Jim Avery was recognized for tangible results, leadership and advocacy for championing diversity. He spearheaded DBE inclusion in non-traditional areas such as suppliers who support our electric generation facilities and is integrating DBEs into future renewable energy and Smart Grid initiatives as well as renewable power project development. His vision was instrumental in helping SDG&E become the first utility in the state to complete electric wholesale procurement transactions with a DBE in 2012. Jim is pictured, right, after receiving his award with Bruce Mayberry, Senior DBE Advisor and Erica Beal, DBE Program Manager.



External Activities - Electric and Gas Procurement

Leadership - SDG&E leadership and decision makers are fully invested in making SDG&E successful in utilizing DBEs for Power Purchase Agreements (PPA). The Director of Origination and Portfolio Design helps lead the PSAP and SDR panels and develops measurable goals for his team to incorporate DBEs in long-term power purchase agreements.

Mentoring - We have found that one of the most effective ways to help DBEs enter the marketplace and achieve significant growth is through our mentoring efforts. By bringing together leaders in the energy and financial industries with successful DBEs, the meaningful exchange of ideas results in increased business opportunities for all involved.

The Electric and Fuel Procurement department has dedicated an energy contracts originator to support the Supplier

Diversity team. His deep experience in the industry and hands-on mentoring style helped focus our outreach and coaching efforts to enable many new DBEs entry into the electric procurement process. He and our extended champions have coached more than 40 DBEs through the Feed-In-Tariff (FIT), RAM and RPS participation process, in addition to working with banks and wholesale suppliers through the FTAA process. This team attended supplier diversity matchmaking events and made presentations on electric procurement. These efforts led to SDG&E closing many wholesale transactions as well as executing PPAs with DBEs for Renewable Energy Credits (RECs), Combined Heat and Power (CHP) and Solar projects. Many of these were firsts not only for SDG&E, but firsts for Investor Owned Utilities in the state of California.



"I took the challenge seriously to bring in new DBE suppliers in the electric procurement area and we're proud to have successfully worked with more than 40 DBEs to educate and mentor them on the process. When we executed our first contract with one of the DBEs we had mentored, it was a significant milestone for SDG&E and a first in California."

Brad Mantz, SDG&E Energy Contracts Originator

Another first: Nicole Shaughnessy, President of The Finerty Group, celebrates the first renewable energy credit deal with Brad Mantz, SDG&E Energy Contracts Originator.

External Activities - Electric

Procurement - SDG&E went to great lengths to reach out to Community Based Organizations to identify new DBEs that could participate in this market. In fact, the DBE that handled the first electric wholesale transaction with our company is a member of the Georgia Hispanic Chamber of Commerce. Networking with EEI, National Council of Minorities in Energy, California Hispanic Chamber of Commerce, United States Hispanic Chamber of Commerce, National Minority Supplier Development Council and many others enabled our team to become familiar with potential new suppliers, who were included in technical assistance workshops and other networking activities.

As a result of this external participation, and in recognition of her role in fostering the first DBE wholesale short-term power contract, DBE Program Manager Erica Beal was recognized by the California Hispanic Chamber of Commerce with the John Aquilar Procurement Achievement Award. This prestigious award is bestowed on an individual that “has created success in the area of procurement and has made a positive impact for Hispanic businesses in California.”

“Understanding the Electric Procurement Process” Workshop - SDG&E developed and hosted two electric procurement workshops in 2012. “Understanding the Electric Procurement Process” was a technical assistance workshop providing an introduction to the electricity market in California and the new DBE electric procurement initiative under General Order 156. More than 35 DBE participants participated in the workshops, which were held in conjunction with the San Diego Regional Minority Supplier Development Council. Breakout sessions focused on the interconnection process and wholesale gas

Well-deserved recognition:

Tim Martinez, Central Region Chair for the California Hispanic Chamber of Commerce presents the John Aquilar Procurement Achievement Award to Erica Beal, SDG&E Program Manager.



“Working on enabling the entry of DBEs into electric procurement has been a wonderful experience and I am delighted to have contributed to our company’s measurable results in 2012. The key to our success resides in having listened to the perspectives of DBEs and other experts related to the obstacles deterring DBE entry in the market and then being innovative in creating business savvy solutions. Progress in DBE electric power procurement benefits our customers and creates a more socially progressive community. Both of these make me tick.”



Juancho Eekhout, Director of Origination and Portfolio Design

and power. Following the presentations, SDG&E had breakout sessions with the DBEs, along with other gas and electric suppliers and financial institutions. DBE wholesale transactions in both natural gas and electric power resulted from these workshops.

2012 DBE RAM Pre-Bidder's Workshops -

Following the success of 2011's workshop, the company held two events to introduce the requirements of the Renewable Action Mechanism (RAM) RFP to potential DBE bidders. RAM is a simplified, market-based procurement mechanism for renewable distributed generation projects up to 20 MW on the system-side of the meter. The conference included presentations on resource eligibility, project capacity, location/site control, interconnection, deliverability studies, Power Purchase Agreement (PPA) terms and evaluation criteria. Over 20 diverse suppliers attend the pre-bidders workshop with hopes of competing or partnering with developers.

SDG&E's DBE Power Suppliers Advisory Panel (PSAP) - One of the key strategies utilized to collaborate on California power markets and regulatory processes was the

Power Suppliers Advisory Panel (PSAP).

The mission of the PSAP is to promote and accelerate the entry of eligible DBEs into the electric procurement market and support development through interaction with suppliers, corporate sponsors and regulatory agencies to achieve the goals of General Order 156 within the California electric market. The panel is comprised of more than 20 members from SDG&E, CPUC, DBEs and other utility industry partners with expertise in the areas of regulatory, legal, and finance. The PSAP members met five times during the year to listen and learn to members to determine obstacles to entering the market and together come up with innovative solutions. The panel provided invaluable expertise and collaboration, and is credited with providing much of the success for DBEs inclusion into the California electric procurement market.



Innovators visit the EIC: The PSAP attends an event at SDG&E's Energy Innovation Center. Pictured: Frank Robinson, Union Bank; Tim Hemig, NRG; Matt Burkhart, SDG&E; Greg Craig, Inupiat; Fred Sotelo, Global Source Energy; Ryan Miller, SDG&E; Erica Beal, SDG&E; Lana Radchenko, SDG&E; Drisha Melton, CPUC; Geoff Gibbs, Hansen Bridgett; Dr. Barrett Hatches, BKB/Hatches Consulting; Steve Taylor, SDG&E; David Yi, Makaira Energy, and Manny Windmiller, SDG&E.

Statewide Supplier Diversity Roundtable -

The Statewide Supplier Diversity Roundtable (SDR) was formed in late 2012 by representatives from the three California Investor Owned Utilities, the California Public Utilities Commission, and existing and prospective suppliers in the electricity market. The SDR was formed to build a strong cross-IOU foundation to enable the entry of DBEs into the utility electric procurement market. The SDR kicked off the first meeting in November with a plan to ultimately produce a "Joint IOU SDR Report" articulating a framework to enable and encourage DBE spend.

Commission Briefings - In March of 2012, SDG&E, along with a DBE PSAP member, was asked by the CPUC to share some of the discussions and ideas coming out of the PSAP, and how its efforts are leading the way for DBE opportunities in electric procurement. In August, SDG&E participated in the "New Connections" forum hosted by CPUC Commissioner Simon. We highlighted the achievements from the PSAP and groundbreaking transactions we had completed with DBEs in the power commodity market. SDG&E believes that continuing to share information with the CPUC and other IOUs is the best way to advance this emerging marketplace and plans to increase opportunities to do so in 2013.

"The PSAP brought together a talented, multi-disciplined team from a variety of different backgrounds and expertise. The diversity in their thought leadership enabled DBEs to enter the Electric Procurement market in a relatively short time. Going forward, their continued dedication will focus on identifying the marketplace challenges and brainstorming creative solutions to create more opportunities for diverse companies in this area."

Lana Radchenko, SDG&E Supplier Diversity Manager



Sharing expertise: SDG&E's Matt Burkhart and Drisha Melton of the CPUC attend Power Supply Advisory Panel meeting.



Solar solutions: Reyad Fezzani and Richard TallBear, partners in TallBear Solar

Profiles in Success:

TallBear Solar

"SDG&E showed interest in our utility-scale solar DBE project and assisted our company in doing all that was necessary to qualify as a competitive project," explains Reyad Fezzani of Regenerate Power and TallBear Solar. "Including our team in the Statewide Supplier Diversity Roundtable, helping with the structure of our deals and instructing us on the legislation requirements have led to success we would not have otherwise had without the partnership of SDG&E."

9.1.2 SUMMARY OF PURCHASES AND/OR CONTRACTS

In 2012, SDG&E achieved success in both natural gas and electric power procurement. In keeping with our efforts to provide opportunities to natural gas suppliers for more than two decades we purchased \$382 million, or 31 percent of natural gas with DBEs as fuel for electric generation. Our affiliated utility, Southern California Gas procures all the natural gas for our core customers. Please refer to the Southern California Gas 2012 Annual Report for a summary of core gas purchases with DBEs.

Electric power procurement became a new area of reporting for DBE participation and SDG&E achieved \$1 million in spending in 2012. Along with this statistic, more importantly, we achieved a number of firsts in this marketplace. Significant milestones included:

- ▶ Completed purchases with three new DBE natural gas suppliers.
- ▶ Transacted with three different DBEs for short-term wholesale power agreements and enabled five wholesale DBE counterparties during 2012, both were firsts in the state.
- ▶ Contracted for a 20 MW utility-scale solar development with a Native American-owned firm – another first.
- ▶ Executed the first Renewable Energy Credit transaction with a woman-owned business.
- ▶ Signed a Combined Heat and Power PPA with a DBE.

In keeping with our efforts to provide opportunities to natural gas suppliers for more than two decades we purchased \$382 million, or 31 percent of natural gas with DBEs as fuel for electric generation.



Profiles in Success:

The Finerty Group

“SDG&E helped shepherd my company through the FERC licensing process and advised me on business avenues I didn’t even know were available when I first founded my company. The team is accessible and always committed to providing answers to any of my questions. I’m pleased that we made history together with the first DBE renewable energy credit transaction, and appreciate the introductions SDG&E has made with other utilities, which have strengthened my business in countless ways.”

Nicole Shaughnessy, President of The Finerty Group

Profiles in Success:

Diversified Energy Supply - Giving Birth to DBE Electric Procurement

The morning of June 28, 2012 is one that Fernando de Aguero, Founder and President of DES Wholesale, LLC (DBA Diversified Energy Supply) will never forget. Almost immediately upon rushing to the hospital during morning rush-hour traffic, with his expectant wife, his fourth child, daughter Shiloh Rose was born. After enjoying the moment getting to know his new little one (and getting the blessing from his wife), Fernando took out his smart phone and executed the first trade in electric power procurement for SDG&E, thus giving birth to the DBE wholesale power market in California.

Before this momentous day, there were months of hard work and preparation by Fernando and the SDG&E team. Fernando had been in the wholesale and retail energy business his whole career before deciding to start his own company in the wholesale energy business. Diversified Energy Supply's first energy transaction was also "in the family" as it was with SDG&E's sister company, Southern California Gas in 2011. Shortly after that, he decided to expand his business model to include electric power procurement and forged a partnership with SDG&E's DBE team to address challenges in this new arena. In fact, in his role with the SDG&E-led Supplier Diversity Roundtable,

Fernando was instrumental in building a matrix for products, challenges and solutions to help define the market structure for this emerging procurement area.

"SDG&E put in a lot of time and effort through work within their credit and commercial teams to create a contract structure that had never been done before," explained Fernando. "I would like to express my gratitude for the company's commitment to the program and true leadership in sourcing suppliers in new areas that reflect the makeup of the ratepayer communities."



A day to remember: Fernando de Aguero executed the first wholesale electric power procurement trade the same day his daughter Shiloh Rose was born.



9.1.3 PROGRAM EXPENSES

Program expenses are included in section 9.1.3 in the 2012 Diverse Business Enterprises Product and Services Section.

9.1.4 GOAL PROGRESS

SDG&E is pleased to report 2012 was a year of continued success in Power Procurement. Our company continues to lead California's investor-owned utilities in procuring natural gas from diverse businesses for our electric generation plants with \$76 million of natural gas purchased from diverse suppliers in 2012 representing 35.5 percent of all gas purchases for electric generation.

SDG&E also made exceptional strides and achieved a number of firsts in our first full

year of reporting in electric procurement with DBEs, achieving \$1 million of DBE spend in electric procurement with new DBE suppliers.

Combined with our natural gas procurement, SDG&E is proud to report 21.3 percent DBE spend in energy products, which is just shy of the California Public Utility Commission goal of 21.5 percent DBE spend.

9.1.5 SUBCONTRACTORS

SDG&E has identified significant opportunities for DBE participation for subcontracting spend in electric development and subsequent operations for contracts relating to their PPAs. In this area, DBEs will be able to leverage their existing business skills and expand their

products and services into a new market. Having developers participate on the PSAP was critical in helping SDG&E incorporate subcontracting goals for existing and future PPAs during the development stage.

Because of the brainstorming efforts coming from the PSAP and also the SDR Subcontracting Committee, NRG Solar utilized a woman-owned business to manage safety during the construction of NRG's 26 MW solar power project located in Borrego Springs, California (*pictured*). Additionally, NRG hired a diverse labor pool during construction in keeping with the spirit of General Order 156.

SDG&E has reached out to many developers to introduce DBEs for work prior to a projects commercial operations date identified in a power purchase agreement (PPA), which is valuable for the DBEs as it is prior to the deal coming online.



"NRG Solar is committed to diversity in the workplace and we believe our partnership with SDG&E is vital to our success in hiring diverse labor and providing cleaner energy to the community."

Tim Hemig, Vice President of Solar Development with NRG Solar

9.1.6 COMPLAINTS

There were no formal complaints filed in 2012.

9.1.7 SUMMARY OF PURCHASES/CONTRACTS FOR PRODUCTS/SERVICES IN EXCLUDED CATEGORIES

For gas procurement, SDG&E no longer reduces the procurement base with Canadian and offshore volumes per the CPUC’s decision to end excludable categories.

For electric procurement, purchases excluded from reporting are: physical or financial purchase transactions with the California Independent System Operator (CAISO), other IOUs, utilities, Federal entities, State entities, Municipalities and cooperatives.

9.1.8 DIVERSE SUPPLIERS IN UNDERUTILIZED AREAS

The electric commodity market is an underutilized area for DBE participation, but through SDG&E’s efforts outlined in 9.1.1

to inform and educate DBEs about potential opportunities, the numbers of suppliers is on the increase.

9.1.9 RETENTION OF ALL DOCUMENTS/DATA

SDG&E will comply with all regulations.

9.1.10 PARTICIPATION RESULTS BY FUEL CATEGORY

Please see chart in Appendix I for the summary of results by fuel category.

9.1.10.B MARKET CONDITIONS AND OUTREACH

SDG&E has an obligation to procure least-cost electricity from suppliers. Suppliers must also meet SDG&E’s credit requirements to manage risk exposure. Because of their small asset base, DBEs have limited access to credit and supplies and have difficulties competing with large electric generators with backing by investment or commercial banks, which have the capital to back the contracts and hold positions in the market. As such, SDG&E has worked with individual DBEs on credit requirements in order to foster their participation in the electricity market.

To meet this challenge, SDG&E and other utility buyers make use of the Funds Transfer Agency Agreement (FTAA), a specialized credit instrument to assist small DBEs. Both the electric and gas procurement transactions executed in 2012 utilized this credit instrument and four additional DBEs in electric procurement were enabled with the FTAA by the end of the year. This tool has had a history of success for DBEs trading in the gas market and will continue to be utilized in our ongoing education and outreach efforts.



10.1.1 GOALS

Category	2013-2016 Goals
Minority Owned (MBE)	15.0%
Women Owned (WBE)	5.0%
Service-Disabled Veteran (SDVBE)	1.5%
Total	21.5%

10.1.2 DESCRIPTION OF WMDVBE PROGRAM ACTIVITIES

In 2013 SDG&E plans to continue the activities that have led to success in gas procurement and build on the successful introduction of DBEs into the electric commodity market as outlined in 9.1.1.

In order to minimize barriers to entry into the electric procurement market for new suppliers SDG&E plans to continue the Power Suppliers Advisory Panel meetings and activities, inviting new participants and representatives from financial and energy industries to continue to share ideas, best practices and solutions.

New Areas of Focus for 2013 - SDG&E is exploring new ways to include DBEs in the lifecycle of electric power procurement, in addition to transacting with DBEs as commodity brokers.

- ▶ One area of focus includes tracking the subcontracting DBE spending on our existing PPAs with renewable energy projects. This will provide opportunities for DBEs in our core construction areas to add value to these electric generation projects. We will begin to track DBE subcontracting spend from our counterparties in a first step toward incentivizing our counterparties to do more subcontracting. Additionally, we plan to host workshops and networking events to communicate this opportunity to DBEs and project developers.
- ▶ We are also initiating discussions with renewable energy project developers that would open the doors to invite DBE firms to participate as qualifying equity owners for renewable energy projects, through joint ventures and teaming agreements.

10.1.3 RECRUITMENT PLANS FOR SUPPLIERS IN UNDERUTILIZED AREAS

Refer to sections 9.1.10B and 10.1.2 of this report for analysis and corresponding

planned activities to recruit suppliers in all of the areas considered underutilized.

10.1.4 PLANS FOR RECRUITING WMDVBE SUPPLIERS IN ANY EXCLUDED CATEGORY

Due to the nature of the excluded categories mentioned in 9.1.7, SDG&E will not plan any specific activities for these excluded categories.

10.1.5 SUBCONTRACTING ACTIVITIES

SDG&E will work together with other market participants to help expand the interpretation of General Order 156 for electric procurement such that all related costs will become opportunities for DBEs. SDG&E will work closely with the other utilities and the CPUC to incorporate DBEs prior to the Commercial Operation Date of a project as this represents significant

opportunities with fewer barriers to entry. SDG&E will work with developers and their engineering procurement and construction (EPC) contractors to utilize DBEs in the development phase of a project. We also plan to create a reporting portal for developers to utilize and track these activities and the resulting dollars spent with DBEs.

10.1.6 PROGRAM COMPLIANCE

SDG&E will continue its efforts to meet or exceed all requirements established by General Order 156.

ORGANIZATIONS & EVENTS

American Association of Blacks in Energy (AABE)

- AABE's 35th Annual Conference

Asian Business Association (ABA)

- 18th Annual Lunar New Year Celebration
- LA's Small Business Exchange
- Lunch & Learn - Funding: Venture Capital and Investments
- Orange County's 2012 Procurement & Export/Import Opportunities Conference
- Sushi On a Roll (SOAR) Summer Mixer
- Rice Club Luncheons

American Indian Chamber of Commerce, California (AICC)

- Annual Scholarship & Awards Luncheon
- Annual Native American Heritage Luncheon
- Annual Conference Business Expo

Black Business Association (BBA)

- 38th Awards Dinner
- Salute to Black Women Business Conference & Awards Luncheon
- Procurement Exchange Summit

Black Economic Council (BEC)

- Black Economic Council Summit
- 2nd Annual Game Changers & Bridge Builders Awards Ceremony

California DVBE Alliance (CADVBE)

- Keeping the Promise Business Expo
- Salute to Veteran's Day Breakfast

California Black Chamber of Commerce (CBCC)

- Foundation Youth Scholarship

California Hispanic Chamber of Commerce (CAHCC)

- Statewide Convention
- 2012 Iluminada Luncheon Gala, San Diego Chapter

Central San Diego Black Chamber (CSDBCC)

- Secrets to My Success

Edison Electric Institute (EEI)

- 29th Annual Supplier Diversity Conference

Elite Service Disabled Veteran Owned Business (SDVOB)

- San Diego Chapter, Business Matchmaking & Dinner Fundraiser
- 9th Annual National Convention of Service Disabled Veteran & Small Businesses
- Military Expo, San Diego
- LA Elite SDVOB One Day Workshop and Match-Making

Greater LA African American Chamber of Commerce (GLAAACC)

- Annual Awards Luncheon

Greenlining

- 19th Annual Economic Summit: By the People, For the People: Communities Creating Change
- Greenlining Annual Report Card

Latin Business Association (LBA)

- LBA Sol Business Awards Gala

National Association of Women Business Owners-SD (NAWBO-SD)

- NAWBO-SD Bravo Awards

National Association of Women Business Owners-LA (NAWBO-LA)

- NAWBO Awards Luncheon

National Minority Supplier Development Council (NMSDC)

- Council Conference and Business Opportunity Fair

National Latina Business Women Association (NLBWA)

- Awards Luncheon

Southern California Minority Business Development Council (SCMBDC)

- Minority Business Opportunity Day

San Diego Regional Minority Supplier Development Council (SDRMSDC)

- 3rd Annual Supplier Diversity Business Opportunity Conference Mid Week
- VIP Reception, Awards Ceremony & Benefit Concert

United States Hispanic Chamber of Commerce - SD Chapter (USHCC)

- 33rd Annual Convention and Business Expo

Women's Business Enterprise National Council (WBENC)

- National Conference

Women's Business Enterprise Council (WBEC-WEST)

- National Conference & Business Fair
- Women in Motion

2012 SDG&E DBE ANNUAL RESULTS - BY ETHNICITY

		Direct \$	Sub \$	Total \$	%
Minority Men	African American	9,745,096	13,200,941	22,946,037	1.90%
	Asian Pacific American	13,464,650	21,100,215	34,564,865	2.87%
	Hispanic American	64,979,902	37,349,830	102,329,732	8.48%
	Native American	4,983,169	6,497,544	11,480,713	0.95%
	Other	601,015	65,634	666,649	0.06%
	Total Minority Men	93,773,832	78,214,164	171,987,996	14.26%
Minority Women	African American	14,310,622	9,296,319	23,606,941	1.96%
	Asian Pacific American	11,331,798	1,990,641	13,322,439	1.10%
	Hispanic American	14,224,771	6,000,475	20,225,246	1.68%
	Native American	14,543,864	1,261,894	15,805,758	1.31%
	Other	417,000	2,787,739	3,204,739	0.27%
	Total Minority Women	54,828,056	21,337,068	76,165,124	6.31%
Total Minority Business Enterprise (MBE)		148,601,887	99,551,232	248,153,119	20.57%
Women Business Enterprise (WBE)		83,410,948	61,213,494	144,624,442	11.99%
Subtotal Women, Minority Business Enterprise (WMBE)		232,012,836	160,764,726	392,777,562	32.56%
Service Disabled Veteran Business Enterprise (SDVBE)		36,540,926	5,790,983	42,331,909	3.51%
TOTAL WMDVBE		268,553,762	166,555,709	435,109,471	36.07%
Total Procurement \$		1,206,379,805			

2012 SDG&E DBE PROCUREMENT BY PRODUCT & SERVICE CATEGORIES - DIRECT

			Products \$	%	Services \$	%	Total \$	%
Minority Men	African American	Direct	2,325,305	0.68%	7,419,791	0.86%	9,745,096	0.81%
	Asian Pacific American	Direct	9,181,189	2.69%	4,283,461	0.50%	13,464,650	1.12%
	Hispanic American	Direct	24,413,752	7.15%	40,566,150	4.69%	64,979,902	5.39%
	Native American	Direct	-	0.00%	4,983,169	0.58%	4,983,169	0.41%
	Other	Direct	-	0.00%	601,015	0.07%	601,015	0.05%
	Total Minority Men	Direct	35,920,246	10.52%	57,853,585	6.69%	93,773,832	7.77%
Minority Women	African American	Direct	1,834	0.00%	14,308,789	1.65%	14,310,622	1.19%
	Asian Pacific American	Direct	8,285,816	2.43%	3,045,982	0.35%	11,331,798	0.94%
	Hispanic American	Direct	7,489,435	2.19%	6,735,336	0.78%	14,224,771	1.18%
	Native American	Direct	-	0.00%	14,543,864	1.68%	14,543,864	1.21%
	Other	Direct	7,700	0.00%	409,300	0.05%	417,000	0.03%
	Total Minority Women	Direct	15,784,785	4.62%	39,043,271	4.51%	54,828,056	4.54%

Total Minority Business Enterprise (MBE)	Direct	51,705,031	15.14%	96,896,856	11.20%	148,601,887	12.32%
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Women Business Enterprise (WBE)	Direct	21,717,088	6.36%	61,693,860	7.13%	83,410,948	6.91%
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Subtotal Women, Minority Business Enterprise (WMBE)	Direct	73,422,119	21.50%	158,590,716	18.34%	232,012,836	19.23%
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Service Disabled Veteran Business Enterprise (SDVBE)	Direct	1,881,312	0.55%	34,659,614	4.01%	36,540,926	3.03%
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Total WMDVBE	Direct	75,303,431	22.05%	193,250,331	22.34%	268,553,762	22.26%
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Total Products Procurement \$	341,454,057
Total Services Procurement \$	864,925,748
Total Procurement \$	1,206,379,805

2012 SDG&E DBE PROCUREMENT BY PRODUCT AND SERVICE CATEGORIES - SUBCONTRACTING

			Products \$	%	Services \$	%	Total \$	%
Minority Men	African American	Sub	1,619,296	0.47%	11,581,645	1.34%	13,200,941	1.09%
	Asian Pacific American	Sub	11,488,946	3.36%	9,611,269	1.11%	21,100,215	1.75%
	Hispanic American	Sub	1,994,696	0.58%	35,355,134	4.09%	37,349,830	3.10%
	Native American	Sub	3,985,467	1.17%	2,512,077	0.29%	6,497,544	0.54%
	Other	Sub	-	0.00%	65,634	0.01%	65,634	0.01%
	Total Minority Men	Sub	19,088,405	5.59%	59,125,759	6.84%	78,214,164	6.48%
Minority Women	African American	Sub	-	0.00%	9,296,319	1.07%	9,296,319	0.77%
	Asian Pacific American	Sub	3,378	0.00%	1,987,263	0.23%	1,990,641	0.17%
	Hispanic American	Sub	3,303,766	0.97%	2,696,709	0.31%	6,000,475	0.50%
	Native American	Sub	-	0.00%	1,261,894	0.15%	1,261,894	0.10%
	Other	Sub	-	0.00%	2,787,739	0.32%	2,787,739	0.23%
	Total Minority Women	Sub	3,307,144	0.97%	18,029,924	2.08%	21,337,068	1.77%

Total Minority Business Enterprise (MBE)	Sub	22,395,549	6.56%	77,155,683	8.92%	99,551,232	8.25%
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Women Business Enterprise (WBE)	Sub	25,497,551	7.47%	35,715,943	4.13%	61,213,494	5.07%
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Subtotal Women, Minority Business Enterprise (WMBE)	Sub	47,893,100	14.03%	112,871,626	13.05%	160,764,726	13.33%
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Service Disabled Veteran Business Enterprise (SDVBE)	Sub	868,801	0.25%	4,922,182	0.57%	5,790,983	0.48%
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Total WMDVBE	Sub	48,761,901	14.28%	117,793,808	13.62%	166,555,709	13.81%
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Total Products Procurement \$	341,454,057
Total Services Procurement \$	864,925,748
Total Procurement \$	1,206,379,805

2012 SDG&E PROCUREMENT BY PRODUCT CATEGORY SUMMARY

Products	Total Expenditures	
14 - Mining & Quarrying Of Nonmetallic Minerals	\$	415,400
23 - Apparel & Oth Finished Products	\$	164,722
24 - Lumber & Wood Prods, Exc Furniture	\$	1,215,915
25 - Furniture & Fixtures	\$	1,026,970
26 - Paper & Allied Prods	\$	79,376
28 - Chemicals & Allied Prods	\$	1,247,369
29 - Petroleum Refining & Related Industries	\$	1,425,740
30 - Rubber & Misc Plastics Prods	\$	220,388
32 - Stone, Clay, Glass & Concrete Prods	\$	1,661,145
33 - Primary Metal Industries	\$	10,027,737
34 - Fabricated Metal Prods, Exc Machinery	\$	34,800,614
35 - Industrial & Commercial Machinery	\$	12,496,398
36 - Electronic & Oth Elec Equip & Components	\$	86,349,009
37 - Transportation Equipment	\$	8,600,026
38 - Measuring, Analyzing & Controlling Instruments	\$	32,095,529
39 - Misc Manufacturing Industries	\$	141,767
50 - Wholesale Trade; Durable Goods	\$	111,815,986
51 - Wholesale Trade; Nondurable Goods	\$	21,213,684
52 - Bldg Matls, Hardware, Garden Supply	\$	167,581
55 - Automotive Dtrs & Gasoline Service Stations	\$	13,502,210
57 - Home Furniture, Furnishings & Equip	\$	591,296
58 - Eating & Drinking Places	\$	1,788,531
59 - Misc Retail	\$	406,663
Total Products Procurement	\$	341,454,057

2012 SDG&E DBE PROCUREMENT BY PRODUCT CATEGORY DETAIL

Products	African American		Asian American		Hispanic American		Native American		Other		Total Minority		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Women Minority Business Enterprise (WMBE)	Service Disabled Veteran Business Enterprise (SDVBE)	Total WDBE	Total
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women						
14 - Mining & Quarrying Of Nonmetallic Minerals	263,699	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	263,699	0.00%	63.48%	0.00%	63.48%	0.00%	263,699	415,400
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	63.48%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	63.48%	0.00%	63.48%	0.00%	63.48%	0.00%	63.48%	415,400
23 - Apparel & Oth Finished Prods	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.90%	0.00%	4.90%	164,722
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	275,628	0.00%	275,628	1,215,915
24 - Lumber & Wood Prods, Exc Furniture	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	22.67%	0.00%	22.67%	1,215,915
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	22.67%	0.00%	22.67%	1,215,915
25 - Furniture & Fixtures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1,026,970
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1,026,970
26 - Paper & Allied Prods	0.00%	2.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.834	0.00%	1.834	12.375	14.209	79,376
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0.00%	2.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.834	0.00%	1.834	12.375	14.209	79,376
28 - Chemicals & Allied Prods	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1,247,369
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	654,189	563,725	1,217,914	1,425,740
29 - petroleum Refining & Related Industries	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	45.88%	0.00%	45.88%	85,424
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	45.88%	0.00%	45.88%	85,424
30 - Rubber & Misc Plastics Prods	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.305	82,744	86,049	220,388
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.305	82,744	86,049	220,388
32 - Stone, Clay, Glass & Concrete Prods	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	15.00%	37.54%	39.04%	1,661,145
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	15.00%	37.54%	39.04%	1,661,145
33 - Primary Metal Industries	0.00%	0.00%	71,802	0.00%	77,963	0.00%	0.00%	0.00%	0.00%	0.00%	149,765	0.00%	149,765	557,641	707,405	0.00%	707,405	10,027,737
	0.00%	0.00%	0.72%	0.00%	0.78%	0.00%	0.00%	0.00%	0.00%	0.00%	14.9%	0.00%	14.9%	5.56%	7.05%	0.00%	7.05%	10,027,737
	0.00%	0.00%	0.72%	0.00%	0.78%	0.00%	0.00%	0.00%	0.00%	0.00%	14.9%	0.00%	14.9%	5.56%	7.05%	0.00%	7.05%	10,027,737
34 - Fabricated Metal Prods, Exc Machinery	2,249,609	0.00%	5,00%	0.00%	2,36%	0.00%	7,46%	0.00%	0.00%	0.00%	14,83%	0.00%	14,83%	3,279,838	3,279,838	0.12%	16.16%	34,800,614
	18.00%	0.00%	0.00%	0.00%	2.43%	5.77%	0.00%	0.00%	0.00%	0.00%	20.45%	5.77%	26.22%	0.03%	26.25%	0.00%	26.25%	12,496,398
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	20.45%	5.77%	26.22%	0.03%	26.25%	0.00%	26.25%	12,496,398
36 - Electronic & Oth Elec Equip & Components	0.00%	0.00%	4,282,571	0.00%	0.00%	0.00%	1,140,741	0.00%	0.00%	0.00%	5,423,312	0.00%	5,423,312	1,143,754	6,567,066	57,752	6,624,818	86,349,009
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0.00%	0.00%	4.96%	0.00%	0.00%	0.00%	1.32%	0.00%	0.00%	0.00%	6.28%	0.00%	6.28%	1.32%	7.61%	0.07%	7.67%	86,349,009
37 - Transportation Equip	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	245,940	0.00%	0.00%	0.00%	245,940	0.00%	245,940	192,396	438,336	0.00%	438,336	8,600,026
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.86%	0.00%	0.00%	0.00%	2.86%	0.00%	2.86%	5.10%	5.10%	0.00%	5.10%	8,600,026
38 - Measuring, Analyzing & Controlling Instruments	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.02%	12.4%	12.7%	0.00%	12.7%	32,095,529
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.02%	12.4%	12.7%	0.00%	12.7%	32,095,529
39 - Misc Manufacturing Industries	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	141,767
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	141,767
50 - Wholesale Trade; Durable Goods	667,936	0.00%	14,529,068	8,287,694	24,240,922	10,069,631	131	0.00%	0.00%	0.00%	39,437,326	18,357,325	57,794,652	25,877,511	83,672,163	448,530	84,120,693	111,815,986
	0.60%	0.00%	12.99%	7.41%	21.68%	9.01%	0.00%	0.00%	0.00%	0.00%	35.27%	16.42%	51.69%	23.14%	74.83%	0.40%	75.23%	111,815,986
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	35.27%	16.42%	51.69%	23.14%	74.83%	0.40%	75.23%	111,815,986
51 - Wholesale Trade; Nondurable Goods	493	0.00%	38,810	1,500	543,943	2,931	-	0.00%	0.00%	0.00%	583,246	4,431	587,677	15,883,040	16,470,717	1,522,567	17,993,283	21,213,664
	0.00%	0.00%	0.18%	0.00%	2.56%	0.00%	0.00%	0.00%	0.00%	0.00%	2.75%	0.02%	2.77%	74.87%	77.64%	7.18%	84.82%	21,213,664
	0.00%	0.00%	0.18%	0.00%	2.56%	0.00%	0.00%	0.00%	0.00%	0.00%	2.75%	0.02%	2.77%	74.87%	77.64%	7.18%	84.82%	21,213,664
52 - Bldg Mats, Hardware, Garden Supply	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	167,581
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	167,581
55 - Automotive Dirs & Gasoline Service Stations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	805	0.00%	0.00%	0.00%	48,112	0.00%	48,112	1,268,479	1,686,591	0.00%	1,686,591	13,502,210
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.0%	0.00%	0.00%	0.00%	3.10%	0.00%	3.10%	9.39%	12.49%	0.00%	12.49%	13,502,210
57 - Home Furniture, Furnishings & Equip	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	88.27%	0.00%	88.27%	591,296
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	88.27%	0.00%	88.27%	591,296
58 - Eating & Drinking Places	762,865	0.00%	-	0.00%	-	0.00%	-	7,700	0.00%	0.00%	762,865	7,700	770,565	1,550	772,116	0.00%	772,116	1,788,531
	42.65%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.43%	0.00%	0.00%	42.65%	0.43%	43.08%	0.09%	43.17%	0.00%	43.17%	1,788,531
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	42.65%	0.43%	43.08%	0.09%	43.17%	0.00%	43.17%	1,788,531
59 - Misc Retail	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.95%	4.28%	5.22%	406,663
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.95%	4.28%	5.22%	406,663
Total Products Procurement	3,944,601	1,834	20,670,135	8,289,194	26,408,448	10,793,201	3,985,467	7,700	0.00%	0.00%	55,008,651	19,091,929	74,100,580	47,214,439	121,315,219	2,750,113	124,065,332	341,454,057
	1.16%	0.00%	6.05%	2.43%	7.73%	3.16%	1.17%	0.00%	0.00%	0.00%	16.11%	5.59%	21.0%	13.83%	35.53%	0.81%	36.33%	341,454,057

2012 SDG&E PROCUREMENT BY SERVICE CATEGORY SUMMARY

Services	Total Expenditures	
07 - Agricultural Svcs	\$	25,048,392
13 - Oil & Gas Extraction	\$	621,062
15 - Bldg Const-General Contractors	\$	42,162,888
16 - Heavy Const Other Than Bldg Construction	\$	206,270,170
17 - Const-Special Trade Contractors	\$	147,510,661
27 - Printing, Publishing & Allied Industries	\$	1,311,604
42 - Motor Freight Transportation & Warehousing	\$	10,935,390
45 - Transportation By Air	\$	16,874,667
47 - Transportation Svcs	\$	8,837,156
48 - Communications	\$	187,501
49 - Electric, Gas & Sanitary Svcs	\$	893,925
60 - Depository Institutions	\$	1,029,916
62 - Security & Commodity Brokers, Dlrs	\$	6,967,761
63 - Insurance Carriers	\$	1,719
64 - Insurance Agents, Brokers & Service	\$	1,135,921
65 - Real Estate	\$	1,099,462
72 - Personal Svcs	\$	1,018,603
73 - Business Svcs	\$	144,071,251
75 - Automotive Repair, Svcs & Parking	\$	2,205,457
76 - Misc Repair Svcs	\$	2,032,379
78 - Motion Pictures	\$	35,115
79 - Amusement & Recreation Svcs	\$	6,000
80 - Health Svcs	\$	563,370
81 - Legal Svcs	\$	32,491,118
82 - Educational Svcs	\$	2,913,383
83 - Social Svcs	\$	731,309
87 - Engrg, Accounting, Research, Mgmt	\$	165,961,906
89 - Svcs, Not Elsewhere Classified	\$	40,236,406
99 - Nonclassifiable Establishments	\$	1,771,256
Total Services Procurement	\$	864,925,748

2012 SDG&E DBE PROCUREMENT BY SERVICE CATEGORY DETAIL

Services	African American		Asian Pacific American		Hispanic American		Native American		Other		Total Minority		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Women Minority Business Enterprise (WMBE)	Service Disabled Business Enterprise (SDVBE)	Total WBE	Total
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women						
07 - Agricultural Svcs	12,529	0.00%	-	-	18,111	0.00%	-	0.00%	-	0.00%	143,140	0.00%	0.57%	5.26%	5.83%	0.00%	1,461,317	25,048,392
13 - Oil & Gas Extraction	-	-	-	-	-	-	-	-	-	-	11,787	0.00%	11,787	4,452	16,239	-	16,239	621,062
15 - Bldg Const-General Contractors	-	0.00%	0.00%	0.00%	4,364,420	0.00%	-	0.00%	2,785,175	0.00%	4,364,420	0.00%	7,149,595	1,025,906	8,175,501	6,270,416	14,445,917	42,162,888
16 - Heavy Const Oth Than Bldg	613,460	0.00%	-	-	35,861,587	0.00%	-	0.00%	15,800,812	0.00%	36,475,047	0.00%	52,275,860	6,690,578	58,966,438	-	58,966,438	206,270,170
17 - Const-Special Trade Contractors	7,899,788	0.00%	20,330	0.00%	21,791,609	0.00%	954,003	0.00%	-	0.00%	38,265,749	0.00%	41,691,564	23,649,671	65,341,235	13,104,928	78,646,164	147,510,661
27 - Printing, Publishing & Allied Industries	5,161	0.00%	0.01%	0.00%	14,776	0.00%	0.65%	0.00%	-	0.00%	25,946	0.00%	28,266	16,177	44,443	8,888	53,326	8,888
42 - Motor Freight Transportation & Warehousing	2,444,340	0.00%	782	0.00%	1,461,329	0.00%	-	0.00%	-	0.00%	3,905,669	0.00%	4,650,365	2,873,778	7,524,143	-	7,524,143	10,935,390
45 - Transportation By Air	6,339,361	0.00%	0.00%	0.00%	13,366	0.00%	0.00%	0.00%	-	0.00%	35,722	0.00%	42,536	26,288	68,824	0.00%	68,824	16,874,667
47 - Transportation Svcs	37,576	0.00%	-	-	-	-	-	-	-	-	37,576	0.00%	48,596	48,688	97,284	0.00%	97,284	8,837,156
48 - Communications	0.00%	0.00%	0.00%	0.00%	4,173	0.00%	-	0.00%	-	0.00%	4,173	0.00%	0.00%	0.00%	4,173	0.00%	4,173	187,501
49 - Electric, Gas & Sanitary Svcs	0.00%	0.00%	0.00%	0.00%	2,233	0.00%	0.00%	0.00%	-	0.00%	2,233	0.00%	9,223	0.00%	9,223	0.00%	9,223	893,925
60 - Depository Institutions	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	-	1,036	0.00%	1,036	0.00%	1,036	1,036
62 - Security & Commodity Brokers, Drs	159,048	0.00%	50,329	0.00%	602,074	0.00%	-	0.00%	-	0.00%	81,451	0.00%	81,451	65,000	146,451	71,180	217,631	1,029,916
63 - Insurance Carriers	2,288	0.00%	0.72%	0.00%	8,646	0.00%	0.00%	0.00%	-	0.00%	11,656	0.00%	11,656	0.93%	12,592	1,02%	13,600	6,967,761
64 - Insurance Agents, Brokers & Service	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	1,719
65 - Real Estate	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	-	1,066	0.00%	1,066	0.00%	1,066	1,135,921
72 - Personal Svcs	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	-	-	1,066	0.00%	1,066	0.00%	1,066	1,135,921
73 - Business Svcs	12,417,801	0.00%	3,310,993	0.00%	5,416,884	0.00%	2,189,032	0.00%	4,945	0.00%	12,586,690	0.00%	39,796,793	12,376,004	52,172,797	1,400,255	53,573,052	144,071,251
75 - Automotive Repair, Svcs & Parking	0.86%	15.33%	2.30%	2.53%	3,766	1.33%	1,52%	0.00%	0.00%	0.00%	8,444	0.00%	27,626	8,59%	36,21%	0.97%	37,19%	1,099,462
76 - Misc Repair Svcs	0.00%	0.00%	0.00%	0.00%	23,656	0.00%	-	0.00%	1,750	0.00%	23,656	0.00%	25,406	0.00%	25,406	0.00%	25,406	2,205,457
78 - Motion Pictures	-	-	-	-	930,465	0.00%	-	0.00%	-	0.00%	930,465	0.00%	930,465	0.00%	930,465	0.00%	930,465	2,032,379
79 - Amusement & Recreation Svcs	0.00%	0.00%	0.00%	0.00%	45,78%	0.00%	0.00%	0.00%	-	0.00%	45,78%	0.00%	32,815	0.00%	32,815	0.00%	32,815	35,115
80 - Health Svcs	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	0.00%	0.00%	0.00%	93,45%	0.00%	93,45%	0.00%	93,45%	6,000
81 - Legal Svcs	504,963	0.00%	90,607	0.00%	236,157	0.00%	-	0.00%	-	0.00%	326,764	0.00%	843,876	1,779,830	2,623,706	0.00%	2,623,706	563,370
82 - Educational Svcs	0.00%	1.55%	0.28%	0.04%	0.73%	0.00%	0.00%	0.00%	-	0.00%	1,01%	0.00%	2,60%	5,48%	8,08%	0.00%	8,08%	32,491,118
83 - Social Svcs	0.00%	0.00%	0.00%	0.00%	-	-	-	0.00%	-	0.00%	0.00%	0.00%	2,912,708	0.00%	2,912,708	0.00%	2,912,708	2,913,383
87 - Engrg, Accounting, Research, Mgmt	178,630	0.00%	2,642,452	0.00%	5,210,441	0.00%	4,331,580	0.00%	8,648	0.00%	12,371,750	0.00%	15,448,455	23,812,802	39,264,257	1,872,731	41,133,988	731,309
89 - Svcs, Not Elsewhere Classified	0.1%	0.61%	1.59%	0.66%	3,44%	0.34%	2,41%	0.00%	0.01%	0.25%	7,45%	1.85%	1,792,863	2,840,272	4,633,135	16,996,059	21,629,194	165,969,906
99 - Nonclassifiable Establishments	0.00%	0.00%	0.35%	0.11%	0.00%	0.00%	0.00%	0.00%	-	0.00%	1,98%	0.00%	7,06%	115%	115%	41,00%	52,52%	40,236,406
Total Services Procurement	19,001,436	2.20%	23,605,108	2.73%	13,894,730	1.6%	5,033,245	0.58%	75,921,284	8.78%	116,979,344	13.52%	174,092,539	97,409,803	271,462,342	39,581,796	311,044,139	864,925,748

2012 ANNUAL ENERGY PRODUCT RESULTS BY ETHNICITY & DBE CERTIFICATION ⁴

(All dollar figures in \$MM)

Product ¹	Unit	Results by Ethnicity & Gender												Results by DBE Certification				Total DBE Procurement Spend	Total DBE Procurement Subcontracting	Total DBE Procurement Spend																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
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Notes:
¹Excludes purchases from the CAISO, other IOUs, utilities, Federal entities, State entities, Municipalities and cooperatives
²Includes only power procurement commitments after June 6, 2011 or as a result of RFOs after June 6, 2011
³Includes all power procurement commitments
⁴Prior year reports were prepared on an accrual basis. The report for 2012 is on a cash basis.
⁵Commercial online date of the contract

